

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLLING:

H. R. 9836. A bill to provide for the admission of Dr. Karl Schaefer to United States citizenship; to the Committee on the Judiciary.

By Mr. JACOBS:

H. R. 9837. A bill to provide for the extension of design patent No. 133,870, issued September 22, 1942, to Mrs. Beulah Hill relating to a Bootlette; to the Committee on the Judiciary.

H. R. 9838. A bill for the relief of Irene T. Mitchell; to the Committee on the Judiciary.

By Mr. PATTERSON:

H. R. 9839. A bill for the relief of Julio Henrique Da Silva; to the Committee on the Judiciary.

SENATE

MONDAY, DECEMBER 4, 1950

(Legislative day of Monday, November 27, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, by whom the meek are guided in judgment and light riseth up in darkness for the godly, grant us in all doubts and uncertainties the grace to ask what Thou wouldst have us to do, that the spirit of wisdom may save us from all false choices and that in Thy light we may see light and in Thy straight path may not stumble.

Bowing in this storied Chamber we are conscious that we are heirs of great traditions. We are conscious, too, of a listening world, hoping in its agony that the horror of global war may be averted. In this mad and sad day filled with the angry accents of hate, we humbly bow at the beginning of this fateful week with the deathless assurance that can turn even seeming tragedy to triumph: "The eternal God is our refuge and underneath are the everlasting arms." We ask it in the name of the Prince of Peace. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, December 1, 1950, was dispensed with.

LEAVES OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. TOBEY was excused from attendance on the sessions of the Senate until Thursday on official business of the Committee on Small Business.

On request of Mr. WHERRY, and by unanimous consent, Mr. CARLSON was excused from attendance on the sessions of the Senate Wednesday and Thursday to attend the annual meeting of the Council of State Governments, of which he is the chairman.

On request of Mr. LUCAS, and by unanimous consent, Mr. McCARRAN was excused from attendance on the sessions of the Senate for an indefinite period.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, the Committee on Foreign Relations was authorized to meet during the session of the Senate today.

SENATOR FROM CALIFORNIA

Mr. KNOWLAND. Mr. President, I send to the desk a telegram from the Governor of California, the Honorable Earl Warren, and I ask that it be read.

The VICE PRESIDENT. The telegram will be read.

The legislative clerk read as follows:

SACRAMENTO, CALIF., December 3, 1950.
SECRETARY OF THE UNITED STATES SENATE,
Capitol Building, Washington, D. C.:

This is to advise you that on December 1, 1950, I appointed RICHARD M. NIXON United States Senator to fill the unexpired term of United States Senator Sheridan Downey in the Eighty-first Congress. On that same date, I mailed Senator Nixon's commission to him at Washington, D. C.

EARL WARREN,
Governor.

Mr. KNOWLAND. Mr. President, the Senator-elect is present in the Chamber, and I ask unanimous consent that he be permitted to take the oath of office.

The VICE PRESIDENT. Is there objection to the request of the Senator from California? The Chair hears none. If the Senator-elect will come forward, the Chair will administer the oath of office to him.

Mr. NIXON, escorted by Mr. KNOWLAND, advanced to the desk, and the oath prescribed by law was administered to him by the Vice President.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Alken	Hoey	Mundt
Anderson	Holland	Neely
Bricker	Hunt	Nixon
Butler	Ives	O'Connor
Byrd	Johnson, Tex.	Pepper
Cain	Johnston, S. C.	Robertson
Capehart	Kefauver	Russell
Carlson	Kerr	Saltonstall
Chapman	Kilgore	Schoeppel
Chavez	Knowland	Smith, Maine
Clements	Langer	Smith, N. C.
Connally	Leahy	Smith, N. J.
Cordon	Lehman	Stennis
Donnell	Long	Taft
Dworshak	Lucas	Taylor
Eastland	McCarthy	Thomas, Okla.
Eaton	McClellan	Thomas, Utah
Frear	McFarland	Thye
Fulbright	McKellar	Tydings
George	McMahon	Watkins
Gillette	Magnuson	Wherry
Gurney	Malone	Wiley
Hayden	Maybank	Williams
Hendrickson	Millikin	Young
Hickenlooper	Morse	
Hill		

Mr. LUCAS. I announce that the Senator from Connecticut [Mr. BENTON] is necessarily absent.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Colorado [Mr. JOHNSON] are absent on official business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business, having been appointed a delegate from the Senate to

attend the meeting of the Commonwealth Parliamentary Association in Australia.

The Senator from Minnesota [Mr. HUMPHREY] is absent because of illness.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on public business.

The Senator from Alabama [Mr. SPARKMAN] is absent by leave of the Senate on official business as a representative of the United States to the fifth session of the General Assembly of the United Nations.

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] is absent on official business.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate on official business, having been appointed as a delegate from the Senate to attend the meeting of the Commonwealth Parliamentary Association in Australia.

The Senator from Vermont [Mr. FLANDERS] and the Senator from Pennsylvania [Mr. MARTIN] are absent by leave of the Senate on official business.

The Senator from Indiana [Mr. JENNERT] is unavoidably detained.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate as a delegate of the General Assembly of the United Nations.

The Senator from New Hampshire [Mr. TOBEY] is absent by leave of the Senate on official business of the Committee on Small Business.

The Senator from Michigan [Mr. VANDENBERG] is absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

RENEWAL OF PROGRAM OF VOCATIONAL REHABILITATION FOR DISABLED VETERANS (H. DOC. NO. 728)

The VICE PRESIDENT. The Chair has a communication from the President of the United States, which is really meant for the Senate. The clerk will read the communication.

The Chief Clerk read the communication, as follows:

THE WHITE HOUSE,
Washington, December 4, 1950.
HON. ALBEN W. BARKLEY,
Vice President of the United States,
Washington, D. C.

DEAR MR. VICE PRESIDENT: I wish to recommend action in the present session to renew the program of vocational rehabilitation for disabled veterans, which was in effect during and after World War II. Since the Armed Forces are

now beginning to discharge men disabled in the current hostilities, renewal of these benefits has become a matter of urgency, warranting action before the present Congress adjourns.

During the last war, as at the present time, the first men to be released by the Armed Forces were those who had been wounded or otherwise disabled and were no longer able to serve on active duty. These men were—and are—entitled under permanent law to full medical treatment and to monthly compensation varying with the degree of disability. In addition, disabled veterans of World War II were given help by the Government in gaining the qualifications needed for civilian employment. In some cases, this meant completion of professional training interrupted by the war. In other cases, old skills had to be brushed up, or new skills acquired.

This program was authorized by Public Law 16 of the Seventy-eighth Congress. Under this law, every disabled veteran who needed vocational rehabilitation in overcoming the handicap of his disability, was enabled to undertake any type of education or training for which he had aptitude and interest. The colleges and universities and the trade and vocational schools all cooperated in the program, and many special courses were established. Arrangements were also made in many cases for training on the farm and on the job.

While the disabled veterans were in training, their tuition was paid by the Government, and the Government financed their subsistence and school supplies.

In this way, thousands of disabled veterans were reequipped for jobs in civil life. In a great many cases, these men were able fully to overcome the loss of earning power which had resulted from their disability. In all, more than 550,000 disabled veterans have participated in the rehabilitation program authorized by Public Law 16.

However, the benefits of Public Law 16 are not available to men who began their military service after July 25, 1947. This means that most of the men disabled during the current campaign in Korea will not receive the kind of rehabilitation benefits which were extended to the disabled veterans of the last war unless new legislation is enacted. I hope that such legislation will receive favorable action by the Congress before the close of this session.

Disabled veterans will need rehabilitation assistance first of all. Later they may also need other kinds of help in readjusting to civilian status. The next Congress will have an opportunity to give full consideration to their longer range needs and to those of the able-bodied men, now in service, who will eventually be returned to civil life. In planning to meet these needs it will, of course, be essential to relate any new benefits to the readjustment problems which will actually face our future veterans. It will be necessary to review with care the experience gained in the veterans' readjustment programs after World War II. This will take time.

Meanwhile, however, there is no reason for delay in meeting the immediate

needs of the disabled servicemen who are now being released by the Armed Forces.

Very sincerely yours,

HARRY S. TRUMAN.

The VICE PRESIDENT. The communication will be referred to the Committee on Labor and Public Welfare.

FEDERAL CIVIL-DEFENSE PROGRAM—REFERENCE OF BILLS

The VICE PRESIDENT. The Chair has at the desk, for reference, two bills which were introduced last week, Senate bill 4217, introduced by the Senator from Connecticut [Mr. McMAHON], and Senate bill 4219, introduced by the Senator from Tennessee [Mr. KEFAUVER], to authorize a Federal civil-defense program. In view of the importance of this proposed legislation, the Chair does not feel justified in holding up the reference of the bills any longer.

The Chair has investigated the rule governing the jurisdiction of the Committee on Armed Services and jurisdiction of the Joint Committee on Atomic Energy, in view of the suggestion that the bills be referred to the Joint Committee on Atomic Energy. The Reorganization Act undertook to delineate the jurisdiction of committees more in detail and more definitely than had ever been done before.

The present occupant of the Chair has tried to preserve the integrity of the committees as outlined in the rule. The act creating the Joint Committee on Atomic Energy provides that it shall have jurisdiction to investigate activities of the Atomic Energy Commission and to investigate the development, use, and control of atomic energy. Obviously that means the development, use, and control of atomic energy in this country—our own atomic energy. It could not be held to include the investigation of the development, use, and control of atomic energy in other countries, so far as proposed legislation before the Senate is concerned, although no doubt the joint committee would have jurisdiction to look into the development everywhere.

The rule providing for the jurisdiction of the Armed Services Committee provides that, among other things, it shall have jurisdiction over defense matters generally in the United States. Atomic energy and the use of the atomic bomb constitute only one phase of attacks which might be made upon the United States. The bill itself provides other methods by which an attack might take place; namely, sabotage, artillery bombardments, any form of attack which might endanger the safety of this country. That goes far beyond the jurisdiction of the Joint Committee on Atomic Energy.

For that reason the Chair feels compelled to refer both these bills to the Committee on Armed Services.

In view of the importance of the matter, the Chair hopes that very prompt consideration will be given to the proposed legislation.

The bills were taken from the table and referred to the Committee on Armed Services, as follows:

S. 4217. A bill to authorize a Federal civil-defense program, and for other purposes; and

S. 4219. A bill to authorize a Federal civil-defense program, and for other purposes.

Mr. McMAHON obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield for an inquiry?

Mr. McMAHON. I yield.

Mr. WHERRY. Is the distinguished Vice President now speaking of Senate bill 4217?

The VICE PRESIDENT. Yes; both Senate bill 4217 and Senate bill 4219.

Mr. WHERRY. I thank the Chair very much.

Mr. McMAHON. Mr. President, I agree with the distinguished occupant of the Chair as to the importance of this proposed legislation and as to the necessity to have the Senate, through its authorized committees, begin consideration of it. Perhaps it would not be amiss if I were to take a moment to describe the activities of the joint committee in this field.

When it became apparent, a year ago last September, that the Soviets had exploded an atomic bomb, the implications of that were not lost upon those of us who were most intimately concerned with the subject. As chairman of the joint committee, and after consultation with the other members of the committee, I determined upon a series of hearings on the subject of civilian defense. Those hearings were commenced last winter. We held 10 or 12 sessions, and compiled what I think is a very valuable record, which was of considerable assistance to those in the executive branch who had the responsibility of going forward with the program. I believe the work which was done then has borne good fruit.

Until a few minutes ago, I did not know of the intention of the Vice President to refer the bills to the Armed Services Committee. Before that, I had scheduled, as one of the series of hearings which were being held, a meeting this afternoon with Mr. Symington and his advisers. We shall go forward with that meeting, and, of course, I extend an invitation to the members of the Armed Services Committee to come to that meeting and to participate in it.

When the Reorganization Act was written, I do not suppose it was contemplated that we would face a situation such as the one we face today. I should like to point out that the armed services, which are within the jurisdiction of the Armed Services Committee, have specifically said on a number of occasions that the responsibility for civilian defense does not rest in the Pentagon. I believe very firmly that it is highly necessary that our civilian defenses remain in the hands of civilians.

Despite all that, Mr. President, because of the seriousness of this situation it is not my personal judgment that over a point of jurisdiction of committees there should be delay in connection with the consideration of this matter. I have been talking with one of the members of a subcommittee of the Armed Services Committee which has been appointed to consider this matter, namely, the Senator from Tennessee [Mr. KEFAUVER], to see whether we could work out a situation which would comport with the best

interests of our security, because that is all I am interested in at this time. I shall continue those conferences in conjunction with the other members of the joint committee, particularly those who also are members of the Armed Services Committee, to see whether we can sensibly work out this matter. There is a big job to be done. It must be attacked with speed and with wisdom.

Again I say I shall see what I can do about working it out, without in any way surrendering sensible claims to a sensible participation in the matter.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred, as indicated:

LAW ENACTED BY CONGRESS OF GUAM

A letter from the Secretary of the Interior, transmitting, pursuant to law, a copy of a law enacted by the Tenth Congress of Guam (with an accompanying paper); to the Committee on Interior and Insular Affairs.

LAW ENACTED BY LEGISLATIVE ASSEMBLY OF VIRGIN ISLANDS

A letter from the Secretary of the Interior, transmitting, pursuant to law, a copy of a law enacted by the Fifteenth Legislative Assembly of the Virgin Islands, first session 1950 (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT OF MIGRATORY BIRD CONSERVATION COMMISSION

A letter from the Secretary of the Interior, as Chairman of the Migratory Bird Conservation Commission, transmitting, pursuant to law, a report of the Commission for the fiscal year ended June 30, 1950 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A petition of Mary N. Powers and sundry citizens of Chicago, Ill., praying for the use of the A-bomb in Russia; to the Committee on Armed Services.

A letter in the nature of a petition from the Liberal Party of New York State, New York, N. Y., signed by Marx Lewis, chairman, national legislative committee, and Ben Davidson, executive director, praying for the speedy enactment of legislation providing excess-profits taxes, etc.; to the Committee on Finance.

A resolution adopted by the City Council of the City of Minneapolis, Minn., relating to a tax on excess profits of regulated public utilities; to the Committee on Finance.

A paper in the nature of a petition from Manila Post, No. 464, Department of California, the American Legion, relating to the benefits bestowed upon Filipino veterans; to the Committee on Labor and Public Welfare.

A resolution adopted by the one hundred and forty-third convention of the New York City Federation of Women's Clubs, New York, N. Y., favoring the enactment of legislation granting statehood to Hawaii and Alaska; ordered to lie on the table.

A telegram in the nature of a petition from the Bar Association of Hawaii, signed by C. Nils Tavares, president, Honolulu, T. H., praying for the enactment of legislation granting statehood to Hawaii and Alaska; ordered to lie on the table.

RESOLUTIONS OF WISCONSIN ORGANIZATIONS ENDORSING FEDERAL ECONOMY

Mr. WILEY. Mr. President, like other Members of the Senate, I have recently received many expressions from the people of my State urging an all-out effort for Federal economy. The people of the "grass roots" recognize that with America heavily involved in the Korean conflict we must indeed economize on the home front in all nonessential spending.

As an indication of that opinion among our people, I present for appropriate reference, and ask unanimous consent that there be printed in the Record, at this point, the text of two resolutions which I have received this very morning; one of them is from Eli Gebhard, secretary of the Slinger, Wis., Advancement Association. The other is from Miss Julia Ramsay, secretary of the Homestead Grange, No. 684, Peshtigo, Wis.

I congratulate these two fine organizations on their sound thinking.

There being no objection, the resolutions were referred to the Committee on Expenditures in the Executive Department, and ordered to be printed in the Record, as follows:

SLINGER ADVANCEMENT ASSOCIATION,
Slinger, Wis., November 28, 1950.
United States Senator ALEXANDER WILEY,
Chippewa Falls, Wis.

DEAR SENATOR WILEY: The Slinger Advancement Association earnestly hopes that you will support all nonmilitary appropriation cuts made by the United States Budget Bureau. While some of the announced cuts may seem large, we know that they are based on intimate knowledge and study, by the Budget Bureau of the program and activities of each department.

We know that from your past record you have always favored economy in Federal spending, without impairing national defense, and we wish to offer our moral support to you in this cause.

Very truly yours,

ELI GEBHARD,
Secretary.

PESHTIGO, WIS., November 28, 1950.
Senator ALEXANDER WILEY,
Washington, D. C.

DEAR SENATOR WILEY: At the last regular meeting of Homestead Grange, No. 684, the following resolution was adopted by them:

Realizing that the Federal Government must have increased revenue with which to pay the cost of the defense program and that Congress is at present confronted with the problem of devising means of raising this revenue, Homestead Grange, No. 684, is asking Congress to use every effort to reduce nondefense spending before new taxes are added.

It further urges that the Federal payroll be reduced as a means of reducing Government expense.

We solicit your cooperation in the above resolution.

Fraternally and sincerely,

JULIA RAMSAY,
Secretary, Homestead Grange, No. 684.

LET US REMEMBER WHO THE CULPRIT IS—EDITORIAL FROM THE DES MOINES REGISTER

[Mr. GILLETTE asked and obtained leave to have printed in the Record an editorial entitled "Let Us Remember Who the Culprit Is," published in the Des Moines Register of Thursday, November 30, 1950, which appears in the Appendix.]

NATIONAL SCIENCE FOUNDATION BOARD

[Mr. MAGNUSON asked and obtained leave to have printed in the Record a list of the Presidential appointees to the National Science Foundation Board and a résumé of their biographies, which appear in the Appendix.]

INTERNATIONAL LAW AND FISHERIES—ARTICLE BY EDWARD W. ALLEN

[Mr. MAGNUSON asked and obtained leave to have printed in the Record an article entitled "International Law and Fisheries," written by Mr. Edward W. Allen, which appears in the Appendix.]

NATIONAL EDUCATION PROGRAM FOR STUDY OF CONGRESS—CORRESPONDENCE WITH YOUR CONGRESS MAGAZINE

[Mr. KEFAUVER asked and obtained leave to have printed in the Record correspondence with Hal J. Miller, editor of Your Congress magazine, relative to a national education program for a study of Congress, which appears in the Appendix.]

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. MAYBANK, from the Committee on Banking and Currency:

Alan Valentine, of New York, to be Economic Stabilization Administrator.

EXTENSION OF RENT CONTROL

Mr. LUCAS. Mr. President, when the Senate convened 1 week ago today, we had before us Calendar No. 2263, the bill (S. 3295) to amend the Railway Labor Act and to authorize agreements providing for union membership and agreements for deductions from the wages of carrier's employees for certain purposes and under certain conditions. On that day the Senator from Illinois entered a motion to proceed to the consideration of Calendar Order No. 1932, the bill (H. R. 331) to provide for the admission of Alaska into the Union. The motion to take up House bill 331 was debated all week long.

There is now before the Senate an important measure, known as Calendar Order 2587, the joint resolution (S. J. Res. 207) to continue for a temporary period certain provisions of the Housing and Rent Act of 1947, as amended. I now ask unanimous consent that the bill (H. R. 331) to provide for the admission of Alaska into the Union be laid aside temporarily, and that the Senate proceed to the consideration of the joint resolution (S. J. Res. 207).

The VICE PRESIDENT. The bill (H. R. 331) is the subject of a motion to proceed to its consideration, which motion is pending. The bill is not yet before the Senate. Does the Senator from Illinois ask that the motion be laid aside temporarily?

Mr. LUCAS. I ask unanimous consent that my motion to proceed to the con-

sideration of the bill (H. R. 331) be laid aside temporarily, and that the Senate proceed to the consideration of the joint resolution (S. J. Res. 207).

The VICE PRESIDENT. Is there objection?

Mr. STENNIS. I object. I am opposed to passage of the Alaska statehood bill, but I am not opposed to bringing up for consideration the joint resolution to extend rent control, or anything of the kind. The Senator from Illinois has another remedy, if he desires to have the joint resolution considered. I object.

The VICE PRESIDENT. The Senator from Mississippi objects.

Mr. LUCAS. Mr. President, in view of the objection by the Senator from Mississippi, which I regret exceedingly, I now withdraw the motion I made a week ago today to proceed to the consideration of the bill (H. R. 331) to provide for the admission of Alaska into the Union.

The VICE PRESIDENT. The Senator from Illinois withdraws the motion.

Mr. LUCAS. I now ask unanimous consent that, without prejudicing the rights of the unfinished business, namely, the bill (S. 3295) to amend the Railway Labor Act and to authorize agreements providing for union membership and agreements for deductions from the wages of carrier's employees for certain purposes and under certain conditions, the Senate proceed to the consideration of the joint resolution (S. J. Res. 207) to continue for a temporary period certain provisions of the Housing and Rent Act of 1947, as amended.

Mr. WHERRY. Mr. President, reserving the right to object—and I shall not object—I should like to have cleared up the mechanics of this procedure, so that all Senators may understand it. If I understand the majority leader correctly, he is now asking unanimous consent that the unfinished business, which is a bill to amend the Railway Labor Act, be laid aside temporarily. Is that correct?

Mr. LUCAS. I am asking unanimous consent that the bill to amend the Railway Labor Act be laid aside temporarily, and that the Senate proceed to the consideration of the joint resolution (S. J. Res. 207).

The VICE PRESIDENT. Is there objection?

Mr. LANGER. I object.

The VICE PRESIDENT. The Senator from North Dakota objects.

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of the joint resolution (S. J. Res. 207) to continue for a temporary period certain provisions of the Housing and Rent Act of 1947, as amended.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (S. J. Res. 207) to continue for a temporary period certain provisions of the Housing and Rent Act of 1947, as amended.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. WHERRY. The question I desire to ask the distinguished Vice President is this: Now that a motion has been agreed to to proceed to the consideration of the rent-control legislation, the joint resolution (S. J. Res. 207) is now the unfinished business of the Senate, and the bill to amend the Railway Labor Act is returned to the calendar. Is that correct?

The VICE PRESIDENT. The rent-control measure displaces the Railway Labor Act, which is returned to the calendar.

THE WORLD CRISIS

Mr. CHAVEZ. Mr. President, a few moments ago the Senate heard read a message from the President of the United States having to do with a recommendation of legislation to provide for the rehabilitation of disabled American veterans. In my opinion it was a very laudable message. There is no question in my mind that disabled American veterans should be rehabilitated if at all possible, and I am for the proposition to rehabilitate them. But, more serious than that, is the question, What is the country going to do, and what is the Congress of the United States going to do about having many thousands of other American veterans in the future who may need rehabilitation? Is it at all possible to prevent such conditions coming about that they will have to be rehabilitated?

Irrespective of feelings of persons whether in Government or otherwise, it is absolutely necessary that the American people and our Government get realistic about the world situation as it is today. Intentions can be of the best. Public and military officials can act in the best of faith, but we do know that the situation in Korea is grave and serious. The casualties among the American troops and a few of our friends of the United Nations are high and still mounting. All the average American citizen needs to do is to open any newspaper, whether it be a country weekly published in one of the rural districts of the Nation, or a daily newspaper published in a great metropolis, to see how the casualties are mounting. The situation is so grave that officials of the existing Governments of England and France are here for consultation.

I took an oath of office when I was sworn in as United States Senator. I have tried in conscience to carry out that oath of office. I have never been more sincere in anything that I have said than in what I am going to tell the Members of the Senate now.

This country, the executive department, the House of Representatives and the Senate of the United States, must once and forever tell the world that we will not recognize Communist China. Let us tell the world now—and the world might as well understand it—that, irrespective of the outcome in Korea, even if Korea turns out to be another Dunkerque, we must let the world know that we will be back there and anywhere else in the world if necessary to protect the ideals for which free people stand.

Soviet Russia is trying to exploit what she feels to be our weakness in

manpower. She feels that because China has hordes of manpower and because other areas in different parts of the world have hordes of manpower, she can overwhelm us by the use of that manpower. Russia forgets, and is badly mistaken, because the manpower of the United States includes all of the free thinking people of the world, and that includes millions in China.

Russia, through deceit and by false promises and hopes, is seeking to set the free-thinking people of the world against each other. She started with Korea and now has China involved—Communist China. A Communist is a Communist no matter where he is or what he is. He is a Communist whether he is a Russian, a Chinese, an American, or a Frenchman. He is still a Communist. The Communists believe in dictatorship and dictatorial power and not in the basic freedoms of the people. They are opposed to the principles of freedom and democracy, which are represented by our country and which have resulted in the greatest industrial productivity and highest living standards that have ever existed in the world.

To students of history it is well known that those nations which have permitted basic freedoms have enjoyed the highest standards of living. Those basic freedoms are those of religion, of speech, and of action, so long as the action of a citizen does not interfere with the freedom of his neighbor. That has been known for thousands of years by the peoples of the world. We in this country know what it means. We fought the mother country. We fought ourselves, and we fought in two world wars to establish those freedoms. Now it looks as though we shall have to have another war to maintain it. Freedom has been bought by the blood of the sons of many nations in many areas of the world. Even the Redeemer had to die in order to redeem the world. People throughout the world have paid with blood, suffering death, and deprivation, but those freedoms were worth the price.

I am confident that the world would like to share with us these ideals of freedom. They would like to share with us these ideals and to enjoy freedom of religion, of speech, and of movement. They would like to worship God according to their conscience, they would like to express opinions freely, and they would like to move about as they please so long as they do not interfere with the rights of others.

Mr. President, what has been the result of the efforts of the United Nations up to now? We have had the moral support of the non-Communist world. We have had the political support of the majority of the United Nations. However, in the showdown, when facing stern realities, and when the shooting war started in Korea, the great majority of the dying, the wounded, and those who suffered were Americans. The ones who will be subject to the legislation recommended by the President of the United States are American boys. Therefore, in my opinion, the hour calls for action, not appeasement. The United Nations may not be prepared to

join us in an effective way to fight against communism for those freedoms in order to save civilization. Members of the Senate, that is exactly what it means. The hour has arrived to take some action in order to save civilization.

Consequently, in my opinion we must go to the people of other freedom-loving nations—through their governments, but we must go to them—and raise a world army to fight for their and our freedoms. This is not an idle dream. It is not impracticable. We must raise a world army of at least 20,000,000. We must raise an army of men who believe as we do and who are ready to make all sacrifices necessary. Such an army can be recruited, trained, and equipped, as we have raised, trained, and equipped our own troops, if only we are practical enough and use a little American common sense.

Why do I say that? Even when hostilities broke out in Korea our consulates all over the world were swamped by citizens and subjects of nations who wanted to enlist in the fight against communism along with American boys. They did not have an opportunity to do so. They wanted to fight, but international politics, maneuvering for political position, maneuvering for a little commercial advantage, made it necessary that those who would fight and die and suffer along with American boys be denied that privilege. It can be done if we approach the problem with a little American common sense. It can be done if we face the stern realities with a little American common sense. This is war. If any Senator does not believe it, I ask that he pick up a country weekly paper from his State. I get the papers from my State. No one can tell a mother in Los Chavez, N. Mex., where I was born, that her son Garcia, who was killed in Korea, was not fighting in a war. This is no time for appeasement. Our strength lies in our productivity, in our ideals, and in our concept of what we stand for. It means everything that makes it possible for us to stand here today and express an opinion. Let us put our strength to work.

I propose that this Nation, through proper authorities, enlist the manpower of the free-thinking world by a new method of approach and, instead of spending billions and billions of dollars through ECA or the Marshall plan, that we recruit millions of men throughout the world, train them and pay them as we do our American soldiers, and we may rest assured that they will fight for the same ideals American boys are now dying for.

Oh, yes, the United Nations may pass resolutions stating they are for us, but they still do not send any troops, except for a few British, Turks, and Filipinos. Aside from those troops, what have we? They pass resolutions calling on Arabia and Israel to stop shooting. What we want to do is to stop the Communists from shooting. That is our first duty, as I see it. The approach, in my opinion, should be that, instead of spending billions and billions through ECA and the Marshall plan, we recruit these millions of men throughout the world, as I have said.

History teaches us, even at the moment, that foreign recruits are fighting for other nations where war is going on. France has them. England has them in outposts. So why cannot we have freedom-loving people helping us and helping themselves. Russia has them in Communist China. Why cannot we do something that makes sense?

We have tried to get the United Nations to support us with military manpower without success. What I propose is simply to recruit a foreign legion, which we would train, equip, and maintain, and to make this force available along with our own troops to fight for freedom.

What the President of the United States and the Secretary of State should fully apprise the world of is that we will not recognize communistic China or communistic Korea, and that we do not intend to let communistic Russia bluff us in any way, shape, or form. Furthermore, that it is our purpose to go to the free-thinking people of the world to recruit the military manpower necessary to stop the communistic world. Those two points should be emphasized to the representatives of weakening members of the United Nations.

I do not say this in any criticism of the Secretary of State, and this is not a question of personalities; but situations come and go. The flag means more to me, the Constitution means more to me, the Declaration of Independence means more to me, and the American system means more to me, than any personality, including the Senator from New Mexico. Law must prevail. The country must go on. If it is necessary that a particular person suffer, Mr. President, what has that to do compared with the saving of America?

Mr. MALONE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

COLLUSION TO LOSE CHINA

Mr. MALONE. I should like to ask the distinguished senior Senator from New Mexico if the evidence at this time pointing toward our intent in losing Asia is not cumulative. It began, of course, when the British deliberately recognized Communist China without consulting our people, and was followed by the statement of the Secretary of State that we would not use the veto to prevent such recognition after his return from the conference in Europe last summer.

Now we have the continued encouragement of our Secretary of State, working with England and other European nations to secure recognition of Communist China.

Is not the evidence cumulative that what we intend to do is to round up the votes for the speedy recognition of Communist China by the United Nations, the United States voting against it but not using the veto, and then abandoning Formosa to its fate, and flooding the country with propaganda to the effect that we may as well recognize Communist China, after the United Nations has recognized it? Have we not been taking one step at a time for the past 18 months toward the recognition of Communist China?

Mr. CHAVEZ. I desire to answer the

Senator from Nevada in good faith. I do not want to become involved in an argument, or to indulge in personalities.

I do not know whether anything that happened 6 months ago, a year ago, or 2 years ago, or the other day, proves anything whatsoever. All I do know, and all I am trying to impress upon the Senate, is that some action should be taken. I do not know what the Secretary of State had in mind 6 months ago. I shall take it for granted, until I know differently, that he was acting in good faith. But the point is not whether he was right or wrong. The point I am trying to make is that action should be taken now. We are not fighting a war we were fighting 6 months ago. We are fighting a war on the 4th of December 1950 and that is the one I should like to meet. We must be prepared also for what may come in the future.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. CHAVEZ. I yield.

Mr. MALONE. I congratulate the distinguished Senator from New Mexico upon his statement—and fully agree with him—that we should make our position clear. As a matter of fact, the junior Senator from Nevada has been saying for 4 years that we must determine which areas in the world are important to our ultimate safety, and make known that we will defend those areas, and not recognize Communist China or Communist anything.

But the distinguished Senator from New Mexico will remember that the Secretary of State said last July that we would not use the veto to prevent admission of Red China to the United Nations.

Mr. CHAVEZ. Suppose he did. That does not prove that he was acting in bad faith, so far as I am concerned, because, the Lord knows, we want peace. The people of the United States do not want to fight. The people of the United States do not want to have their boys slaughtered in Korea or elsewhere. The people of the United States are willing to do almost anything in order to prevent war. But we have now reached the point where we are fighting, and our boys are being killed. We should do something about it, to try to save as many as we possibly can.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. CHAVEZ. I yield.

Mr. MALONE. Let me say again that I fully agree with the distinguished Senator from New Mexico. We must make our position clear—let it be known what we mean to do and why we are doing it.

Mr. CHAVEZ. I do not want to do it piecemeal.

Mr. MALONE. We cannot hold General MacArthur on any line, as we did on the thirty-eighth parallel for 10 days while the Communists regrouped their forces, and then hold him on the boundary of Manchuria and prevent him from attacking their bases, and win a war.

Mr. CHAVEZ. I wish my good friend from Nevada would strictly understand me. So far as I am concerned, MacArthur is incidental. Acheson is incidental. The military are incidental. I

respect them all; but America does mean something to me.

Mr. MALONE. I should like to say further to my distinguished colleague that I fully agree that we must establish a foreign policy—understood by foreign nations and our own people alike and get ready to defend it.

Mr. CHAVEZ. I do not want any politics involved in this discussion.

Mr. MALONE. I understand. I fully agree with the distinguished Senator from New Mexico. However, it seems to me that it is plain to be seen that Atlee's visit means that there will be a proposal placed before us to stop that war by recognizing Communist China and pulling out of Formosa. I believe that such a proposal will be made very soon—and I believe it will result in one more step toward Communist domination of the world.

Mr. CHAVEZ. I am suggesting that we do not stand for that.

Mr. EASTLAND. Mr. President—
The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from New Mexico yield to the Senator from Mississippi?

Mr. CHAVEZ. I yield.

Mr. EASTLAND. Does the Senator think we should clamp a blockade on the China coast and seal her ports?

Mr. CHAVEZ. I think we should go to the extent of everything necessary to stop communistic China and communistic Russia. Does that answer the Senator's question? As to the method of doing that, the Senator might suggest one way, I might suggest another. I am thinking only of what may be necessary.

Mr. EASTLAND. Is the Senator in favor of cooperating with Chiang Kai-shek, and sending his forces back to the mainland?

Mr. CHAVEZ. I am in favor of cooperating with millions of Chinese; yes. We can use Chiang Kai-shek. The Senator from Mississippi is not going to place me on the spot in that respect.

Mr. EASTLAND. I am not trying to place the Senator on the spot.

Mr. CHAVEZ. I have as much respect for Chiang Kai-shek as I have for the Communists. I know that there are millions of Chinese who do not feel as does Chiang Kai-shek who have always been our friends. Why not try to do something with them?

Mr. EASTLAND. Does not the Senator think we should arm the anti-Communists in China?

Mr. CHAVEZ. That is exactly what I am suggesting, and in the not far distant future, within the next few days, I am going to indicate how they could be armed, not for fighting for the philosophy of Chiang Kai-shek, or the philosophy of Communist China, but in order to carry out our ideals and concepts of a free people.

Mr. President, what I am saying is not said with the idea of criticism of the motives of the Secretary of State, his sincerity of purpose, or his integrity. I may be mistaken, but I think that his trouble is that he is trying to make up his mind from the thinking of the central part of the North Atlantic States, and it does not involve the thinking of Bolivar or Clinton Corners, N. Y., Eaton,

Ky., or Sullivan Hollow, Miss., or Los Chavez, in New Mexico, or Fort Scott, Nebr. I do not think he knows the pulse of the American people as it exists where the heart of America is, Jefferson City, Mo., or Lamont, or anywhere else. If he would get the concept of what is going on at Metropolis, Ill., or Ventura, Calif., or Golden, Colo., he would find that the American people now, irrespective of how much they desire and pray for peace, do not want appeasement of communistic China, no matter who recommends it.

It is my purpose to tell the Senate in the near future what the Senator from Mississippi has suggested, as to how we can get the millions of Chinese who are willing to be our friends to fight, not only against communistic China, which is the main purpose at the moment, but to fight against anything that fails to uphold the freedom we talk about and brag about and try to secure.

I thank the Senate.

NECESSITY FOR COMBATING AGGRESSIVE COMMUNISM IN ASIA

Mr. KNOWLAND. Mr. President, this is no mere "police action" going on in Korea. American fighting men have never been called upon to face more difficult terrain and weather conditions or to confront a more fanatical foe than those against whom our forces are now engaged.

All of Asia hangs in the balance. If the manpower and the natural resources of Asia fall into the orbit of international communism there will exist the greatest aggregation of power the world has ever known. With its Asiatic flank fully protected, the Soviet Union will be able to concentrate its strong far eastern armed forces with those it now has in eastern Europe and greatly offset any new planned build-up in armed forces of the Western World. Therein rests the fallacy of those who would abandon Asia and concentrate on Europe alone.

Nine years ago this week we were caught with our defenses down at Pearl Harbor. A heavy blow which precipitated us into World War II came out of the Pacific, and the invasion by an Asiatic foe of some of the Alaskan Aleutian Islands took place soon after. This was done by a nation of 80,000,000 people. A billion and a half is the population of Asia, a large part of which today is either still outside the iron curtain or not yet fully digested.

The week beginning today may determine which way the free people of Asia turn. There are millions of Asiatics who want to be free and who are willing to fight to help preserve a free world of free men. They need and they want some leadership.

Today I speak on my responsibility as a Senator of the United States. I speak as a Republican who followed the leadership of the Senator from Michigan [Mr. VANDENBERG] in trying to develop an American foreign policy that would have some continuity regardless of which one of our great political parties was in control of the executive branch of the Government. My record is to be found in the proceedings of the Seventy-ninth Congress, subsequent to my coming to the Senate on August 14, 1945, the Eight-

ieth, and Eighty-first. I have supported the United Nations legislation, the ECA, the North Atlantic Pact, the arms-implementation legislation, and the Greek-Turkish aid program.

However, I have believed that aggressive communism was global in character and that it did not make sense to close the door in Europe if the door in Asia was to be left wide open. It was at this point that I have differed with the policies of this administration.

The Congress has a constitutional obligation which must not be abdicated. It will not serve the best interests of the security of our Nation or of the free world for the Congress to allow itself to become a rubber stamp for this or any future administration.

We have a right and an obligation to ask some questions and to get some frank answers now from our own executive branch and from those who are now here to advise with and try to influence our executive in the formulation of policy or the change in policy.

We boldly, with great risk, broke the Berlin blockade by air and permitted the two and one-quarter million free people of Berlin to survive when to have taken counsel of despair would have placed them all under the totalitarian rule of the Soviet Union.

We boldly, with great risk, supported the Government of 7,500,000 people of Greece in order to prevent the Greek Communists from taking over that area and those people.

But are we now to take the position that human freedom is less worth supporting in Asia than it is in Europe? Our action to date in Korea clearly says no to any such doctrine. Yet to follow the advice of some of the "concentrate on Europe" clique that is what the end result would be. If the free people of China on Formosa are sacrificed where do you draw the line? Cannot the same argument apply to Korea? To Japan? To the Philippines? To Indonesia? To Indochina? To Burma? To Siam? To Pakistan? And to India? Where do you draw the line? If we now serve notice on our friends and potential enemies that we dare not protect our far eastern door because we have to concentrate on Europe why should not militant communism take that as a green light to complete the conquest of this vast area in the shortest possible time so that when his stockpile of atomic weapons is larger in 1952 or 1953 he will have already gained control of the vast population and strategic reserves of Asia? Certainly no prudent subject of the British crown would expect to arouse the moral indignation of the world against aggression in Hong Kong, Singapore or the Malay States if all the non-colonial Asiatic nations had been thrown to the wolves of communism in this now far eastern Munich which is in the making.

The United Nations might have been and still might be something that free men in Asia, Europe and here might tie to in this desperate hour of world's history.

But this week it is not alone Communist China and the Soviet Union which are on trial at the bar of world

public opinion, but the United Nations itself is on trial.

On the 26th of June of this year and the days immediately following free men everywhere were electrified that at last there was a system of collective security that could function to resist aggression. Fifty-three of the then 59 members of the United Nations—all but the Soviet Union and its satellites—recognized the movements of North Korean Communists across the thirty-eighth parallel as aggression.

Now we come to the week of December 4, less than 6 months later, with members vacillating and palavering over whether or not the movement of over 400,000,000 Chinese Communists across the international frontier of the Yalu River is aggression and whether it should be treated as such.

Are we to have one rule and set of penalties for small nation aggressors and none at all for the large? Are we to continue our moral and material support to an organization which kow-tows to the doctrine that might makes right?

Or is the new United Nations doctrine to be not one of international law and order which both the weak and the strong must respect or face the collective opposition of all the law-abiding nations of the world, but rather a loose system where each individual member will determine whether the killing of his neighbor and the raping of his neighbor's wife was or was not of quite sufficient importance to warrant the effort to round up the outlaw? Do our European friends think that there is any real security for them in such a system? Any such precedent established in Asia will rise to plague the European community.

Is the spirit of Munich once again filling the chancelleries of Europe? Is it now approved doctrine that small nations can be sacrificed to expediency or does this doctrine apply only to the Asiatic area? If so, is it the color of a man's skin or his geographic location that determines his right to live in a free world of free men?

Colonialism in Asia is dead though there are some walking Zombies who do not yet understand that basic fact. Nor will kow-towing to or appeasing communism prolong their manifestations of life beyond the time it serves the purposes of Mao Tse-tung to permit such goings-on to continue.

The people of Asia are determined that they shall develop their own national aspirations. The Achilles heel of international communism, I believe, is that no Communist state tied to international communism can be free or independent. We have not yet done the job needed to be done to make that clear to the people both outside and inside the iron curtain.

But while they struggle for freedom and with the complexities of new constitutional governments we must be ready both to extend supervised military and economic aid and have an understanding of their problems and their errors. We must not forget that we have had the benefit of the experience of 174 years of self-government since we broke our own colonial ties and we have had a longer heritage going back to Magna Carta. Many of these new Asiatic re-

publics are having to learn the hard way that freedom is not something that once gained can be taken for granted.

The free people of the Far East are realistic. They know, even if India and its leader Nehru do not, that militant communism cannot be stopped with passive resistance. The non-Communist people of Japan, the Republic of Korea, the Republic of China, or the Republic of the Philippines are not willing to risk their lives and their nations' freedom on the type of leadership India is presently offering. They know that India has not offered a single soldier, sailor, or airman to help stop aggression in Korea. They know that India has either abstained or voted with the Soviet Union many more times than she has voted with the free world. They are not favorably impressed with that record. Yet, there are still those in Washington who would have us tie our far eastern policy to the tail of India's kite.

The leadership cannot come from Great Britain because she is compromised by both her colonial policy in Asia, past and present, as well as by her recognition of the Chinese Communist regime.

Leadership could be furnished by the United States which, despite Soviet and Communist propaganda, still has a great reservoir of good will throughout the Far East.

In China the open-door policy of John Hay and our diplomatic support of a free China; our education of Chinese students with the Boxer indemnity funds; the work of our missionaries and educators, are too well known to be destroyed overnight by either Soviet or Chinese efforts. However, give the Communists 10 or 15 years to spread the same lies that Malik and his associates have spread at the United Nations and that reservoir of good will will be almost drained dry.

In Japan the success of the occupation under General MacArthur and the economic, political, and spiritual developments which have taken place has built such good will that despite the fact that that nation has been largely stripped of its occupation forces there has not been a single case of sabotage or obstruction, but to the contrary, the fullest cooperation.

Citizens of the Philippines, both members of the Government and of the opposition parties, know that the United States carried out its promises of freedom. They know that nowhere in the history of Russia under either the Tsars or the Commissars has there been anything comparable to this. To the contrary, Soviet imperialism has absorbed the independent nations of Lithuania, Latvia, and Estonia, and by unilateral action has taken a large piece of Poland, and is fastening an iron grip upon Mongolia and Manchuria. In addition Red China, like the satellites of eastern Europe, is closely tied by doctrine and by treaty to the Kremlin.

However, these free and noncommunist people will find it difficult to cooperate with us toward maintaining a free world of free men if they do not know what our policy in the Far East is to be.

A vast majority of them are convinced, I believe, that the road to appeasement is not the road to peace and that appeasement, as at Munich, is but surrender on the installment plan.

Is there Chinese Communist aggression in Korea today? Does a single Senator in this Chamber doubt it? Does a single delegate from the noncommunist world to the United Nations doubt it. I think not.

Is aggression any less dangerous to peace because it has been committed by a larger power? Of course not. Is aggression only down to a line fixed by the unilateral action of the aggressor something which entitles him to a pardon? On this basis wherein does any security exist for Berlin or for the border states of Iran or Turkey? What is the test of aggression to be? If the aggressor succeeds, is he to be considered a hero entitled to membership in the lodge, but if he fails, only then is he to be an outcast among the law-abiding nations?

I hope Prime Minister Attlee and Premier Plevin, with whom he has been in consultation prior to his trip here, will frankly answer all these questions that have been raised today. I hope President Truman will also.

If the free world will not stand up and be counted in this clear-cut case of aggression by the Chinese forces, not only against Korea but against the United Nations forces carrying out the mandate of the Security Council in Korea, then how can we in the Congress or the people of America whom we represent have any assurance that they will stand up any better when the chips are down elsewhere?

Is the moral or legal obligation under the United Nations Charter to resist aggression any stronger or any weaker than the same obligations under the North Atlantic Pact formulated within the general framework of the United Nations?

The Congress and the Nation are entitled to know these answers now before we act upon legislation pending before the Congress this year and next.

Have we put too much faith in an organization which by compromising with principle will destroy its great strength—its moral leadership—while its members have weakened its potential military strength by bickering as to whether or not Western Germany, Spain, and Japan should be invited to join or be allowed to join the collective security system against aggression?

Are we justified in casting our lot with the bold new free world where there were to be no more secret deals at Yalta and no more appeasements at the expense of small nations, as at Munich, or must we consider the ideals of the Atlantic Charter and the United Nations Charter mere words to cover up the same sordid power diplomacy which, for a price, will betray human freedom once again?

We are entitled to answers to these questions now. Almost 40,000 American casualties alone demand a clear-cut answer from both the Prime Minister and the President.

America has been faced with dark days before. We hoped to meet any future ones with staunch allies in the common

cause of freedom, not just regional freedom, Mr. Prime Minister. But if we have to meet them alone, perhaps it is better to find it out now.

It was not always that America met her dark days by the wringing of her hands, but by the ringing of the tocsin of freedom.

When we are asked what our foreign policy is, let us answer, "Our policy is freedom. What advances it, we support; what undermines it, we reject."

This will save us from future Yalta and Munich agreements. If others want to clasp the hand of the murderer and welcome him into their home, we do not have to stultify ourselves to that extent. Or are we now so weak that even that choice is no longer ours to make? I believe not. Some only look at our liabilities. Let us look at our assets:

First. If firmness is shown by the United Nations and by the law-abiding members of that organization, there is still time to rally the force of world public opinion in support of collective action against aggression.

Second. While the hour is very late, there is still time to enlist the support of millions of Asiatics in support of the free world. This will require:

(a) An early Japanese peace treaty, with Japan having means, under proper supervision, of participating in the collective security system against aggression. Otherwise the 80,000,000 people of Japan will be unarmed sitting ducks for Communist aggression from across the sea of Japan. The industrial potential of Japan would greatly strengthen the war-making potential of international communism and its bases in Siberia and Manchuria.

(b) Immediate economic aid and supplies of military equipment should be given to the Republic of China now on Formosa. It is vital that these 10,000,000 people and this non-Communist army, navy, and air force, with a combined strength of over 600,000, be maintained on the side of the free world. This is a larger military force than all the other non-Communist nations of Asia have put together, including what the British have in Malaya, Hong Kong, and Korea; what the French have in Indochina and Korea; and what the United States has in Korea. To permit this non-Communist stronghold to go down the drain would be the height of folly, not only because of these forces themselves, but because as long as a free China lives on Formosa, there is hope in the hearts of the non-Communist Chinese in China. By giving aid to the Republic of China, they will be able to stimulate their non-Communist guerrilla forces of over 1,000,000 men now operating behind the iron curtain. With this activity stepped up and with raids by the Chinese Nationalist forces on the coast of China, the Chinese Communists will have to begin withdrawing their forces from Manchuria and Korea, instead of concentrating them there for the destruction of the United Nations forces.

(c) Give the Chinese Communists 48 hours to stop their aggression in Korea and to get back across the Yalu River. If not, every member of the United Nations should pledge to withdraw its rec-

ognition which may have already been given to that regime. This will weaken the prestige of Mao Tse-tung at home and will make that government illegal in the eyes of the people. The recognition by India, Britain, and certain other countries early this year gave "face" to the Communists that they otherwise would not have had. They have certainly, by this act of wanton aggression against the United Nations forces, lost any claim they had to support from law-abiding nations.

It seems to me that if India is not willing to furnish troops and moral support to the United Nations action for collective security, at least she should stop giving moral support to the Communist Chinese aggressors.

(d) Furthermore, the hands of our combat commanders in Korea should be untied. Forces are now pouring down across the Yalu River and are being resupplied from well stocked depots, arsenals, gasoline supply dumps, and troop concentration points. They are coming over a network of railroads and roads in Manchuria. Strategic necessity requires that the aggressor be hit, and hit hard, in his lair. The lives of thousands of the United Nations troops and the existence of our entire force are jeopardized by present limitations in being.

I wish to digress for a moment at this point. It was only a few weeks ago that I was in Korea, where I visited our forces that were fighting. I talked with some of the combat troops who had been sent to the Yalu River area, to interdict the bridges, so that supplies could not come down. They had been given express instructions that they must not go north of the river, so their job had to be done on the south side of the Yalu. I talked to some of the men who had had many casualties in their crews. They could see the antiaircraft guns firing on them from the north side of the Yalu River. Yet the limitations imposed upon them prevented their "taking out" that antiaircraft fire. I talked with men who said they could see fighter planes rise from the airfields north of the Yalu River and attack, and inflict casualties, including deaths, among the members of the crew. Yet they could not permit our planes to pursue those fighter planes back to their lair.

When our own fighter planes would rise to give protection to our B-29's, the Communist planes would fly across the Yalu River, where the United Nations has erected an "off limits" sign, and where our planes are not permitted to pursue. I think it is rather tough to ask men to fight and perhaps to die under those conditions, when they are trying to carry out the mission which has been assigned to them, and yet when they know that day by day there are concentrations of tanks and vehicles carrying gasoline and ammunition which are being supplied to the Communist troops south of the Yalu River, who have one principal objective, namely, to destroy every United Nations' and allied soldier who has been fighting to establish a system of collective security in Korea. It is rather tough for men to fight and die under those circumstances.

Third. Make it clear that we are going to operate according to our strategic in-

terests and not in conformity with those which the Communists might desire. We should not repeat, of course, the mistakes made by France and Germany in their land invasions into the vast areas of Russia by any thought of having the American or United Nations Army go into the vastness of China. To the contrary, we should operate from strength, not from weakness. Our strength is air and naval power. We should place, in conjunction with the Navy of the Republic of China, an immediate naval blockade against the entire China coast, and should not permit the entry or exit of a vessel of any nationality. This will dry up a large part of the trade in gasoline and strategic materials which has been openly going on for over 6 months when the "neutralization" of Formosa prevented the continuation of a fairly effective blockade by the Navy of the Republic of China.

I wish to pause here for a moment to pay my compliments and respects to the Senator from Maryland [Mr. O'CONNOR] for the job which he and his committee have been trying to do. I wish to say that I was deeply shocked by what I found in Hong Kong about the amount of trade in gasoline and other strategic materials which has been going on from that British Crown colony to the Chinese Communists, and undoubtedly those materials are being used against us today in North Korea. I wish to say that we ourselves are not entirely free from the criticism which can justly be leveled in that connection, because supplies which have been carried from the United States and in American bottoms have found their way in helping the war machine of the Chinese Communists. I think it is a sad situation when it is recalled that Members of the Congress of the United States, not last month or 2 months ago or 6 months ago but a year or 2 years or more than 2 years ago, urged that some effort be made to stop that flow of illegal material. Some of us remember that in 1939, 1940, and early 1941 there was going from Pacific coast ports scrap iron and oil which were to be used against our historic friends in China by the then Japanese war lords, and some of that same material was used against us on the morning of December 7 at Pearl Harbor. Some of us on the floor of the Senate have tried to point out time and time again that it was the duty of the Government of the United States long ago to take an active part in stopping that trade. Yet I just took from the ticker, in the room adjoining the Senate Chamber, this interesting dispatch:

EXPORT CONTROLS

WASHINGTON.—Tight new controls were applied—

Parenthetically, when were they applied, Mr. President? They were applied—

today on shipments through United States ports to Russia and her satellite countries and to China, Hong Kong, and Macao.

A Government order Saturday—

In other words, the past Saturday—to clamp down on all American goods destined for Red China, Hong Kong, and Macao became effective last midnight (e. s. t.).

Secretary Sawyer said the same controls will apply to foreign shipments of strategic

commodities passing through American ports en route to this far eastern area, the Soviet Union, and its satellites.

Mr. President, it seems to me that is just a little late, because when I was in Korea, several weeks ago, the army of the United Nations and the Army of the United States had clearly identified organized Chinese divisions which had been there since October, opposing the forces of the United Nations. It seems to me that it is just a little late for our great Government to be so tied up in red tape or inefficiency, or both, that it cannot properly meet this issue, when Americans are dying in a foreign field without a declaration of war. At least we had an obligation to do our utmost to prevent the shipment of a single gallon of gasoline, a single bit of steel or of other strategic material, a single lathe, or any kind of equipment which would build up the power of the Soviet Union or any of its satellites. It seems to me a little late for the embargo to be placed today.

Mr. President, if I speak feelingly, it is only because I have seen men from California and men from almost every other State of the Union fighting in Korea under what I believe to be the most difficult situation which any Americans have been called upon to face, not expecting either World War I or World War II. Our men are at least entitled to the fullest support of every Member of the legislative branch of the Government of the United States and of every person holding any position of responsibility in the executive branch of the Government of the United States, and there should not be a single person, regardless of this capacity, who does not strain himself to the utmost to give them the backing they require and to prevent the backing being given to the men who are shooting them down today, many of them in cold blood. With air power we should strike at the war plants that are supplying the Communist aggressor. For this job we should immediately take more of our naval vessels and more of our bombers out of mothballs.

Fourth. Let us recognize that our most priceless commodity is time. Stop dilly-dallying on mobilization of our manpower and industrial capacity. Let our North Atlantic Allies know that it is long past time for them to be bickering over the rearming of Western Germany and the bringing of Spain and Japan into the collective defense system. Let us make it clear that now is the time for every supporter of freedom to stand up and be counted. If our structure is infested with Munich appeasement termites, let us find it out now.

Fifth. The United States should maintain its lead in atomic development. The weapon should not be used except as a last resort to protect the free world against enslavement. It should only be used then on targets of real opportunity. It is my belief that the military targets north of the Yalu River, from which the aggressor is resupplying himself, can be better handled by other weapons of a more conventional type. But the President of the United States should make it clear to Mr. Attlee that we have no intention of giving him or anyone else a

veto over the use of the atomic weapon. We are not going to be destroyed as a Nation, or permit a free world of free men to be destroyed, while someone else is passing judgment on whether or not aggression is really aggression.

Sixth. After 4 months of Soviet lies and obstructions in the United Nations let us be realists and understand that Soviet talk of peace is but a mask for aggression. No nation could tolerate, in positions of authority within its gates in time of war, those who gave aid and comfort to the enemy. Nor can the United Nations survive with obstructionists, traitors, and saboteurs occupying positions of responsibility while United Nations forces are doing battle against an aggressor. The Soviet Union on its record of supplying equipment and moral support to the North Korean and Chinese Communist aggressors should be forthwith expelled from the United Nations.

The timid will say these are strong moves and the Nation will risk war by carrying them out. My answer to that is that time is not necessarily on our side. We have a better chance to gain a decent world in which international law and order will prevail, and where the small nation is not at the mercy of a large aggressor nation if the free world stands firm now.

But a far eastern Munich now will destroy the faith of millions of freemen all around the periphery of the Soviet Union. Each one, with considerable justification will think, if Korea or the Republic of China on Formosa is sacrificed now, how can we know that Japan, the Philippines, Siam, Pakistan, Iran, Turkey, Greece, Germany, Denmark, or Norway will not be a future victim of a middle eastern or European Munich?

If the free world kowtows to aggression in Asia now all of Asia will be lost and the lesson will be learned with bitterness by freemen everywhere that international communism stands firmly with its friends, while the western world runs out on theirs. Do you think you will build strength and loyalty on the part of any man regardless of his geographic location or the color of his skin? The answer is "No."

Does any man really think that after the Soviet Union has had a year or two or three to build up its stockpile of atomic weapons and to digest into its system the manpower and resources of Asia, that you will be better able as freemen to resist another fait accompli aggression better than you are the clear-cut one in Korea today? I think not.

This is a fateful hour in the history of our Nation and of the entire free world. Cringe before Communist aggression today and countless men who are now free may be bending their backs in the slave-labor camps of Siberia a year or two from now. Stand up to Communist aggression today, and millions who are now enslaved in Poland, the Soviet Union, Czechoslovakia, Bulgaria, Rumania, Hungary, Latvia, Lithuania, Estonia, and China will gain new hope that they, too, may some day be free from the most godless tyranny man has ever known. We should now repudiate the Yalta agreement and reendorse the Atlantic Charter.

If we as Americans show the same courage and common sense that motivated the men who sat at Philadelphia and gave us the Declaration of Independence and later the Constitution of the United States there is no domestic problem we cannot solve and there is no foreign foe we need ever fear.

Mr. President, I should like to ask to have printed in the body of the RECORD at the conclusion of my remarks an editorial which appeared in the San Francisco (Calif.) Peoples World, which is a Communist mouthpiece, in which is suggested this appeasement program which is the general policy of the Soviet Union and its satellites.

The PRESIDING OFFICER (Mr. PEPPER in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. KNOWLAND. Mr. President, I also ask that there be printed in the body of the RECORD a pamphlet which was distributed in Butte, Mont., by the Communist Party of Montana on December 1, the night that I spoke on far eastern policy in that city.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. KNOWLAND. Mr. President, I also ask that two articles, of tremendous significance as I believe, be added to the RECORD at this point. The first is an article entitled "Is Siberia Russia's Secret Base for World Conquest?" written by Richard Wilson, and published in the current issue of Look magazine, under date of December 5, 1950.

The next is an article entitled "We Can Be Guerrillas Too," written by Stewart Alsop and Col. Samuel B. Griffith, United States Marine Corps, published in the December 2, 1950, issue of the Saturday Evening Post. I ask that the two articles be printed in the body of the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 3 and 4.)

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. KNOWLAND. I am glad to yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I desire in the first place to commend the Senator from California for his splendid presentation of this issue. I merely want to reaffirm, if I understood him correctly, the statement that in his judgment any appeasement or backing away from the issue today and the recognition by the UN or otherwise of Communist China would mean the loss of the Far East so far as the western powers are concerned. The Far East would be threatened with being completely turned over to the control of the Soviet Union.

Mr. KNOWLAND. I may say to the Senator from New Jersey that I very deeply feel that any far eastern Munich now would cost us the entire Far East, involving more than a billion and a half people; and now, with the Chinese Communist movement into Tibet, I do not think that the time which India has left to her is very long.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. O'CONOR. Mr. President, will the Senator yield for an insertion?

Mr. KNOWLAND. I am glad to yield for that purpose.

Mr. O'CONOR. It is a somewhat more than an insertion, but in view of the statement made by the distinguished senior Senator from California I think it might be of interest to the Senate to have read into the RECORD the contents of a telegram which has reached the junior Senator from Maryland since the convening of the Senate today. It is sent by the crew members of the *Flying Clipper*, a ship carrying the American flag, from Hong Kong. The text of the telegram is as follows:

HERBERT R. O'CONOR,
Senate.

Sail for Communist China December 5—

That is tomorrow; the telegram is dated today—

carrying steel tin-plate pipes. Please take action if possible.

Mr. President, I should like to ask unanimous consent to insert in the RECORD from today's Washington News an article appearing under the headline of a news item, which headline reads as follows:

United States ship will take steel plates to Mao.

Mr. President, I also ask unanimous consent to insert in the RECORD a statement relative to the imposition of export controls, which I have prepared.

Mr. KNOWLAND. Mr. President, I wonder whether the Senator would mind asking that the material he desires to insert be printed in the RECORD immediately following the insertions I have made, since it relates to the general subject to the Far East.

Mr. O'CONOR. I should like to make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Due to the fact that there is a difference in the international date line, I am afraid that ship is sailing today.

Mr. O'CONOR. We had noted that fact, and are making representations to the proper officials in connection with it.

EXHIBIT 1

[From the San Francisco Peoples World of November 15, 1950]

TO HALT A DISASTER

The peace of the world may well depend on what the American people can do to check the plans of Gen. Douglas MacArthur and the "big brass" in Washington to continue the Korean War and extend it into Manchuria.

After an interview with MacArthur, Senator WILLIAM KNOWLAND, Republican, California, urged that United States planes bomb Manchuria. There is little doubt on the basis of inspired stories and statements from Tokyo that MacArthur advocates such a course.

And if this happens, it will mean war against the 450,000,000 people of China, against the 200,000,000 people of the Soviet Union allied with China, against the peace-loving peoples of all Europe and all Asia.

This is a policy which can only mean disaster for the American people. To prevent this disaster a national conference last week end in New York urged an alternative policy.

A drive for an immediate "cease fire" in Korea to stop spread of the war.

A national campaign for recognition of China and its admission to UN.

A variety of expressions of friendship to China on the occasion of the arrival here of the Chinese delegation which will discuss the Formosa question at the United Nations.

These are objectives which will command the support of millions of Americans of all political affiliations.

They will give an effective focus to the confused and inarticulate peace sentiments of the people which were expressed in distorted fashion in last Tuesday's election.

Moreover, a real campaign behind these aims will make it possible to arrest the mad adventure which began with United States intervention in Korea and may end by spreading the flames of war to all Asia and the entire world.

We urge that progressive, labor, and Negro groups on the west coast give the most urgent and serious support to this campaign for peace rather than war with China.

EXHIBIT 2

Senator WILLIAM F. KNOWLAND, Republican, of California, publisher of the Oakland Tribune, will speak in Butte Friday evening on the war situation in the Far East.

According to the Montana Standard, he comes to Butte "directly from the theater of war from conferences with Gen. Douglas MacArthur and discussions with other high military, political, and economic figures all across the Pacific board. He has had opportunity to gather facts at first hand throughout the perimeter of the Korean conflict."

Together with the majority of the American people who are anxious to avoid a third world war, we Communists hope the Senator will raise his voice in behalf of peace.

We hope the Senator will answer these questions in his Butte speech Friday:

First question: "Senator, is it not possible to arrive at a negotiated peace in Korea on the basis of the withdrawal of all foreign troops, leaving it to the Korean people themselves to work out their own destiny? After what has happened thus far in Korea, it is obvious that a continuation of the war threatens world peace very seriously. Let's end it before the whole world becomes a battleground."

Second question: "What is wrong with trying to work out over the council tables the peaceful coexistence of the two systems, capitalism and communism? War has not proved capable of destroying communism in any case, since the first war was followed by the Russian Revolution and the Second World War by the Chinese, Polish, Czech, and other Communist victories. What about peaceful competition between the two systems?"

Third question: "Wasn't it to be expected that the Chinese People's Republic would react vigorously to the war approaching its borders? Our reaction to a similar situation in, for example, lower California moving toward San Diego. The Montana Standard of November 30 quotes disagreement with our military policies in Korea on the part of leading French and British officials. After all, we are not on good terms with China, since we have opposed their having a seat in the United Nations and protect Chiang Kai-shek on Formosa."

Fourth question: "Can you guarantee from your discussions on the scene that there is no danger that our authorities will extend the war to new areas or resort to atomic or bacteriological weapons? The bombing of the Chinese mainland might very well begin a world-wide conflict."

Senator, you have it in your power to raise your voice for immediate steps to end the war in the Far East.

Senator, the people of America and the world want peace.

Issued by Communist Party of Montana, post-office box 77, Butte.

EXHIBIT 3

[From Look magazine for December 5, 1950]
IS SIBERIA RUSSIA'S SECRET BASE FOR WORLD CONQUEST?

(By Richard Wilson)

Deep behind the iron curtain, in the little-known reaches of Siberia, the Soviet Union today is building a vast military-industrial empire.

It's a new center of power that poses a threat to Alaska, Japan, and perhaps all of Asia.

These facts emerged recently when Look commissioned a University of California research assistant to complete and bring up to date a detailed study of Siberian military and economic strength.

The research assistant, Steven P. Nagel, is no novice at sifting information. He took part in the interrogation of 25,000 German prisoners in World War II and was wounded three times in field intelligence operations. His study of Siberia covered a 2-year period of research in Russian publications and published British, American, and French intelligence, and included assistance from United States officials who themselves were studying the new Soviet Empire. Here are Nagel's principal findings:

SIBERIAN ARMIES NUMBER 750,000 TROOPS

At least 750,000 troops—the cream of the Red Army—are training in Siberia and waiting for whatever mission may be assigned them by the Politburo.

The Siberian troops make up a minimum of 44 front-line divisions—many of them air-borne or armored.

They are reinforced by a powerful air force and navy. The air force, it's estimated, numbers 4,500 planes. The navy is believed to include 100 submarines.

INDUSTRIAL REVOLUTION TRANSFORMS WILDERNESS

Meanwhile, an industrial revolution is changing the face of the Siberian wilderness. New factories have been built. Whole industries have been transferred from Russia proper.

In an area where less than 5,000,000 people lived in 1926, the population today easily exceeds 10,000,000 and may reach 15,000,000.

Other sources indicate that the new Siberian empire may be even more powerful than Nagel's findings suggest. In any event, it's clear that Moscow is creating a self-contained military-economic unit in eastern Siberia—one, and perhaps the most important, of six separate areas of the Soviet Union that are being organized to stand on their own in war or peace.

"The Russians," a State Department official told me, "have built something big and dangerous in Siberia."

A great network of military bases and industrial centers covers eastern Siberia.

Nagel's research, summarized in the map, shows how the new empire has grown:

The region includes several armies, scores of airfields and at least 12 naval bases.

General headquarters for the Siberian armies, which together form Russia's Sixth Army Group, is at Chita, near Lake Baikal, at lower left of map. From there, military bases fan out through the highly industrialized area opposite Japan to remote bases in the north barely 100 miles from Alaska.

BIG ARMY GUARDS INDUSTRIES

The Siberian First Army, with headquarters at Komsomolsk, guards the industrial center of eastern Siberia, which extends from the Sea of Japan to Skovorodino. This army is estimated to number 300,000 men, or 19 divisions, including five airborne and five armored.

Second Army headquarters is at Vladivostok. Six divisions are located in this area, for Vladivostok is not only Russia's most important naval base; it is also a jumping-off place for any Soviet drive south.

Dairen is the site of Third Army headquarters. About 290 air miles from Seoul, prewar capital of Korea, Dairen came into Soviet hands by agreements at Yalta. No information is available on the strength of the Third Army.

In the far north lies one of the strangest and certainly one of the most audacious of the world's military installations. This is the Siberian Fourth Army, based at Anadyr, not far from Bering Strait, which separates Siberia from Alaska.

It's believed this army is composed of five divisions, of which three are airborne. Though based in the desolate wastes just below the Arctic Circle, its troops are maintained and supplied regularly.

Additional divisions comprising a fifth army are also known to be based in Siberia.

Along with these armies, there is a mighty array of air power. A chain of airfields extends through the eastern area to accommodate the 4,500 planes that make up the Siberian Air Force. Some 30 fields, originally built to fight the Japanese, are reported in the Vladivostok area alone.

SIBERIAN NAVY HAS SNORKELS

Russian sea power in the Far East is a significant factor, too. Of the 100 Soviet submarines believed to be in Pacific waters, most were designed for coastal operations. But also included are some of the Russian Navy's high speed, snorkel type of submarines developed by German engineers. In addition, the cruisers *Kalinin* and *Kaganovich* are often observed at Vladivostok.

Reflecting the industrial development of Siberia are cities like Komsomolsk. One of the new, important cities of Siberia, it had a population in 1940 of 70,000. Today, its population is reported to be 250,000. The city now boasts steel mills, an airplane-engine plant, a locomotive works, repair shops and automotive and generator works.

Magadan is another mushrooming city. A small fishing village in 1940, it has grown into a city of 100,000 today—a prison city with 80 percent of its population Soviet citizens exiled for minor infractions. It's believed to be an important administrative center for nearby gold mines.

Khabarovsk, too, has grown rapidly and is now an important oil-refining center. Some experts think its population is greater than Vladivostok's 600,000. It is also the site of an airplane manufacturing plant. There is a second one at Irkutsk.

In the area of Chita are mines and smelters for coal, iron, manganese, lead, zinc, and molybdenum. Properly developed, such resources could lead to the rise of a "Ruhr" in Siberia.

PURPOSE OF THE MILITARY-INDUSTRIAL CONCENTRATION IN SIBERIA HAS UNITED STATES PLANNERS GUESSING BUT ON GUARD

The Soviet concentration of power in Siberia poses the keenest problem for the United States. Why is the concentration there?

There are several possible reasons, all of which may apply:

It could be a move in preparation for an attack on Alaska.

It could be a build-up for an ultimate invasion of Japan.

Or it could be a naked show of strength as notice to all Asia that it is under the control of the Kremlin.

Military circles fully recognize the threat of an attack on Alaska. The military command in Alaska is faced daily with the problem of what to do if Russia's Siberian arsenal erupts into a North American invasion. Anchorage, Alaska, is an armed camp, with antiaircraft batteries manned 24 hours a day and jet-fighter squadrons constantly on the alert. Even foxholes have been dug.

ALASKA FORCES ARE OUTNUMBERED

But more than alertness may be needed.

Even if the five Soviet divisions on the other side of Bering Strait are far below strength, which is entirely probable, our own forces are greatly outnumbered. It is doubtful if we have the strength of a single division in all Alaska.

That does not mean that Anchorage is beset by anxiety. Brig. Gen. Elmer Rogers, chief of staff to the Alaskan commander, Lt. Gen. William E. Kepner, recently told a reporter:

"Well, I'm sitting on the powder keg, if there is one, and I am not alarmed. I'm not saying that we have an impregnable fortress here. But I do feel that reasonable defense forces have been allocated and are on the scene."

Military planners in Alaska count on Russia's obviously great difficulties in supplying an attack. They also feel more comfortable than the situation might appear to warrant because the heart of Alaska, where the main airfields are, is 600 miles from the Russian bases. Thus, while the possibility is conceded that a Russian attack might be able to envelop Nome, taking all Alaska is quite another thing.

AN ALASKAN PEARL HARBOR?

Still, the Siberian situation arouses concern, Gov. Ernest Gruening, of Alaska, forecasts the possibility of another Pearl Harbor there. And I have talked to Russians here who insist that a powerful thrust against the United States will originate in the not-too-distant future from Siberia.

One such warning comes from Lt. Piotr Uirogov, of the Red air force, who escaped from the Soviet Union last year via Austria.

"I have served in Siberia," Pirogov says. "I know how the Soviet air force is indoctrinated. Every Soviet officer believes that the only way into the United States is through Alaska."

"These officers have been taught that Alaska is Russia's earth; that Catherine the Great was cheated out of it by avaricious Americans; that its gold, minerals, and other resources have been shamefully exploited by American capitalists; that Alaska must be reclaimed for the Soviet Union. Every Soviet officer is expected to know this."

Pirogov says his air-force colleagues when he was in Siberia were told they were there because Alaska must be attacked. They felt this was confirmed by joint maneuvers they engaged in with Russian Navy and ground forces. All the topographical details of Alaska were taught them, together with detailed plans for bombing Alaska.

However, another theory on the reasons for the build-up in Siberia—that it's aimed at Japan—must also be considered. According to an opinion commanding respect in Washington, the Russians were disappointed with the concessions they got at Yalta, which gave them approximately what they had before the Russo-Japanese War.

The Russians hoped, it's reasoned, that Japan itself would fall under Soviet influence. Instead, they have watched it grow stronger and stronger under American control. They fear it will be set loose before long, to develop again as the leading industrial-military nation of the Far East. Because of this fear, the Russians may have concluded that Japan will have to be smashed before it grows too powerful.

That line of reasoning makes much sense at high levels in Washington. The fact that it may be less disquieting to us than the Alaskan invasion theory does not necessarily detract from its logic.

What about the third possibility—that the new Siberian empire is a show of strength to make all Asia bow to Russia? There is no way of evaluating this possibility fully. It's pertinent to recall, however, that Moscow

has made conquests in eastern Europe by the mere threat of force.

But whatever the reasons for the Soviet concentration of power in Siberia, there's no hiding the main facts of the tremendous military and economic program being developed there.

REDS RATE SIBERIAN ARMIES HIGH

The findings of Nagel's study, outlined on the preceding pages, make a startling picture.

Most impressive of Nagel's facts is the Soviet military establishment of 44 front-line divisions on what Moscow calls its far-eastern front.

It's evident that the Kremlin attaches great importance to the "front." In 1948, a prominent World War II military leader, Marshal Gregory K. Zhukov, was in command of the Siberian armies. More recently, another Soviet hero, Marshal R. Y. Malinovsky, has been the top military officer.

"SIBERIAN ARMIES BEST IN U. S. S. R."

Lieutenant Pirogov, the escaped Russian flier, stresses the toughness of the Red troops in Siberia. "It is an accepted fact," he says, "that the Siberian armies are the best in the Soviet Union. When Moscow was being attacked, Stalin told us: 'Hold on, hold on, the Siberian armies are coming.' And they did." The result was a decisive defeat for the Nazi armies.

The industrial base on which this military establishment rests, as disclosed by Nagel's research, is hardly less impressive. So far, it probably has not been developed sufficiently to supply the military establishment completely. But the fact that it exists at all is a miracle. Thirty years ago, eastern Siberia was largely a wilderness inhabited by primitive Siberian tribes.

Today, the area is estimated to account for 17 percent of Russia's steel production, 27 percent of its coal, and 5 percent of its oil. This output is small compared with that of the United States, of course, but it is there on the spot. It does not have to be transported thousands of miles by land or sea. The same is true of Russian munitions production in Siberia, of which there is thought to be a significant amount.

Ironically, the Soviet Union owes some of its strength in Siberia to the United States. In the days when we were urging Stalin to get into war against Japan, we sent to Siberia lend-lease supplies totaling some 800,000 tons of military and industrial material. As events developed, the supplies were not needed for the defeat of Japan. And instead of helping us, they have become part of the Soviet reservoir of power now lined up against us.

One of the puzzles of Soviet industry in Siberia is a continuing effort to produce more and more gold. Some 25 mines are in operation at Magadan and in the area south of Yakutsk and north of Chita. Gold production there equals almost half the world's production in 1940. It makes Russia a close competitor of the United States as the world's leading hoarder of gold.

The most frequently suggested reason for the Soviet gold hoard is that Russia will some day try to wreck the economies of the world by wholesale dumping of the metal on the world market. But for every expert who thinks this is the reason there is another who does not. The Kremlin is playing this one close to the chest.

EMPIRE FACES OBSTACLES

A number of obstacles prevent the maximum development of the Siberian empire. The climate, of course, is the most important. Transportation is another, though in military matters the Red Army usually manages to move somehow in areas where movement is regarded as impossible by westerners. Two rail lines run east and west, and if they were cut, large-scale military and industrial

movements would be seriously interfered with.

The lack of electrical power, plus the difficulties of transmitting over long distances, is a definitely limiting factor too. But there is plenty of coal, and the Soviets may some day be able to expand their power resources substantially. Estimated coal reserves are 460,000,000,000 tons, one of the largest in the world, and of a quality similar to coal mined at Cardiff, Wales.

A most serious limiting factor is the supply of food. Five percent of Russia's population is in eastern Siberia, but the area produces only 1 percent of Russia's food.

The development of the area, nevertheless, has been extraordinary, as disclosed by Nagel's study.

And Nagel's findings are conservatively based on what he can prove. It's possible that the military and economic development of Siberia considerably exceeds even his basic figures.

EXILES SWELL POPULATION

Pirogov thinks—though he can't prove it—that there is a population of eighteen or twenty millions in eastern Siberia, as compared with Nagel's figure of at least 10,500,000.

Of the total Nagel says 700,000 are in forced-labor camps; 1,000,000 are exiles from the Baltic region and 600,000 are Japanese prisoners from the Kwantung Army. Pirogov puts the number at forced labor higher and thinks there are even more exiles.

According to his estimates, the number of forced laborers runs into the millions, maybe 8 or 12. "Nobody hunts wild animals in Siberia any more," he comments, "only people who escape from the labor camps."

Besides exiles from the Baltic region, Pirogov says there are also millions moved in a body from other areas.

"In the years 1941 to 1943," he claims, "industrial plants were moved from the west into the Siberian area, together with workers and their entire families."

"This was followed in 1944 with the forced exile of two groups, one from South Russia and the other from the Crimea. In each group, we were told, there were 1,000,000 people."

"From 1945 to 1947, 25 percent of the population of western Ukraine was transferred to the Siberian area."

SIBERIA A MUST FOR RED AIR FORCE

What about the build-up of military forces in Siberia? "In 1947 and 1948," Pirogov reports, "there was a reshuffling of Soviet Air Force personnel. Every air-force officer was required to spend 2 years in one of three places: Chukotski (the area in the far north facing Bering Strait); Kamchatka (the peninsula thrusting out from Siberia) or Sakhalin (the island whose southern half was given to Russia at Yalta)."

As to the number of troops in Siberia, Pirogov thinks there are even more than the 750,000 estimated by Nagel. He figures at least 1,000,000 are now stationed there.

Regardless of the exact statistics, however, it's plain that the Soviet empire in Siberia introduces a critical new element in the cauldron of world affairs today.

And the day may soon come when it will emerge as the dominant power in the Far East.

EXHIBIT 4

[From the Saturday Evening Post of December 2, 1950]

WE CAN BE GUERRILLAS, TOO

(By Stewart Alsop and Col. Samuel B. Griffith, USMC)

On October 1 this year, by all the traditional rules of warfare, the war in Korea was finished. The North Korean Army was destroyed as an organized fighting force.

But on that day, the No. 2 man in Communist China, Premier Chou En-lai, served notice that the war in Korea was not finished. Chou En-lai's warning was double-barreled. On the one hand, he warned that China would not stand idly by while China's Communist allies were defeated, a threat he has since made good.

But this was not the Chinese premier's only threat. "Tactics of a prolonged war of resistance," he also said, "will undoubtedly give the Korean people * * * final victory." What Chou En-lai was talking about, of course, was guerrilla war, supported by the Chinese, and directed against the American and Allied forces, all over liberated Korea.

It remains to be seen whether this threat will also be made good—the Korean people have already experienced at first hand the doubtful delights of Communist rule, and they are hardly likely to wish to repeat the experience. Yet Chou En-lai's second threat must be taken as seriously as his first. For it is time we recognized that the traditional rules of warfare no longer hold good.

It is time, indeed, that we learned about guerrilla fighting. We must learn how to support, fight with, and even create friendly guerrilla movements. What is more difficult, we must learn how to deal effectively with enemy guerrilla movements. If we do not, it is entirely possible that we shall lose the struggle which has been joined in this nightmare twilight between war and peace. And it is just as possible that we shall lose a war, if real war comes.

For it can be shown that guerrilla fighting can have a very great, and sometimes an absolutely decisive, influence on the outcome of modern war. It can further be shown that, since the last war ostensibly ended, guerrilla warfare has deeply influenced the course of events, gravely to our disadvantage. Finally, it can be shown that the men in the Kremlin confidently rely on Communist guerrilla warfare to overbalance the industrial and atomic superiority of the West, whether in time of war or in time of so-called peace.

These are some of the reasons why we must learn about guerrilla warfare. There was a time when Americans were the greatest of all guerrilla fighters. The minutemen of the Revolution were essentially guerrillas. In Francis Marion, the Swamp Fox, who made life miserable for Lord Cornwallis, we produced one of history's most brilliant guerrilla leaders. In John S. Mosby, who, with a few hundred men behind the Union lines, tied down many thousands of Grant's best troops, we produced another.

But that was long ago. Now the experience of living Americans in guerrilla warfare is almost wholly limited to the vague memories of the American soldiers who fought in Europe—memories of unkempt, excitable Europeans, armed to the teeth and incomprehensibly oratorical, sometimes useful, but more often seemingly in the way.

Gen. Dwight D. Eisenhower himself is the authority for the statement that these excitable Europeans were worth 15 divisions to the Allies in western Europe. In southeastern Europe, Yugoslav and Greek guerrillas tied down no less than 45 of Hitler's German and satellite divisions, although he needed only 30 divisions to take these countries in the first place. Yet this evidence of the extraordinary effectiveness of guerrilla fighting has been largely lost on our professional soldiers. In the Pentagon, as in most conventional military circles in the West, guerrilla warfare is still regarded as an interesting but essentially unimportant footnote to the ancient art of making war.

Alone among the great nations of the earth, the United States has never in living memory feared a successful enemy invasion. This is one reason why it is so hard for most Americans—professional soldiers or other-

wise—to take guerrilla warfare seriously. Let us, therefore, ask you, the reader, to perform a rather grim act of imagination.

Please imagine that the United States has been invaded by the Red army—and that you live in the area occupied by Russian troops. Once this difficult feat of imagination has been performed, it should be less difficult to imagine that you want to do everything in your power to help the American forces still fighting at the front. So you join the organized resistance—you become a guerrilla. Let us follow you as you perform a guerrilla mission.

It is dusk. You are on a secondary road, not many miles from where you now live. With you are five men, armed like yourself with Tommy guns or rifles, grenades strung in their belts. The lead man moves warily, for there is always the risk of a Red Army patrol.

Ahead of you the road curves off to the left and crosses a double railway track in a deep cut. You and another man drop into a ditch, while the three others make their way cautiously to the track. Soon you hear a soft whistle. The track is clear. This does not surprise you—the Russians cannot possibly guard the hundreds of thousands of miles of track in occupied territory.

THE WAY THE RESISTANCE WORKS

You move onto the track, and the other men spread out as lookouts. It is darker now; you can only dimly make out their figures. You kneel beside the track and pack about 3 pounds of something that looks like putty on both sides of a rail, fixing it in place with ordinary black mechanic's tape. Then you wire something that looks like a child's Fourth of July toy on top of the rail. The whole job takes perhaps 3 or 4 minutes.

Two hours later, you and the other men are many miles away, sleeping peacefully in a hayloft on an isolated farm. While you are sleeping, a Red Army troop train on its way to the front roars into the cut. The front right wheel of the engine passes over the toylike object you have wired to the track. The object is a percussion cap. It is connected by an instantaneous fuse to the puttylike substance, which is plastic explosive. In the instant when the wheel passes over the percussion cap, there is a small explosion and the rail under the wheel disintegrates. The engine jumps the tracks and rolls up against the side of the cut. Cars pile up behind it in ugly, twisted wreckage.

Using a few dollars' worth of material, you have wrecked an irreplaceable train, killed or wounded many enemy soldiers, and severed an important transportation route to the front. You have done all this both more cheaply and more surely than it could have done in the conventional way—from the air. Looks easy, doesn't it?

And it is easy, remarkably easy. This imaginary exploit of yours was repeated literally hundreds of thousands of times during the last war, so that the rail systems in western Europe and in Russia became almost wholly useless to Hitler.

But it is easy only if—there are a number of if's. Ask yourself some questions and you will begin to understand the nature of modern guerrilla warfare. How could you be sure that informers would not betray you? Obviously, a good many people would know what you were doing. Equally obviously, the Russian commander would pay high for the privilege of hanging you most publicly, after appropriate tortures, in order to discourage others of like mind. Without the active sympathy of the mass of your compatriots, you would not long survive. And you need not only sympathy but support—information, food, safe shelter.

This suggests one reason why guerrilla war, the war of the ragged civilian with a rifle, has suddenly become of paramount importance in the era of the guided missile and

the atomic bomb. Modern war is intensely political. The day of the old, simple, straightforward clash between nation states seeking limited objectives is over. Modern war is fought not only between nations but within nations. This was true of Hitler's war. It will be far more true of Stalin's war, if it comes.

Guerrilla warfare, political by its very nature, part civil war, part rebellion, is the natural expression of the war within. Because of its political nature, it requires the active support of the mass of the people. Given this support, guerrilla fighting becomes a fourth dimension of warfare. It can make as decisive a contribution to victory as any of the conventional services—the Navy, the Army, the Air Force. But it must be supported by an effective organization on the other side of front lines. Ask yourself some more questions, and you will see why this is so.

How did you get the weapons to protect yourself—the rifles and grenades and Tommy guns? How did you get the tools to do your job—the percussion cap, the instantaneous fuse, the plastic explosive? How did you know that a troop train was coming over that particular track at that particular time? How did you know how to blow up the train? The technique is simple, but not every civilian knows it. Do you? Finally, how did you know that by blowing up that particular train you would really contribute to the strategic objectives of the American regular forces fighting at the front?

Three modern technical devices—the plane, the parachute, and the radio—provide the answers to all these questions. This is the second reason why guerrilla warfare has suddenly become a decisive element in modern war. For it is now possible to support guerrillas on a massive scale. The radio provides the means of communicating with the fighters behind the lines, coordinating their actions with the larger strategy of total war. The plane and the parachute provide the means of supplying them with the where-withal to fight.

The logistical support of guerrilla warfare is a job for highly trained professionals. This is a big subject in itself, but what follows may give you some idea of the sort of thing you need. You must have codes which are simple and virtually unbreakable. You must have radios which can be easily carried, which can be hand-operated, and which can be used to transmit and receive in code at very high speeds. If the radio is on the air too long, the enemy will get a fix on the location of guerrilla headquarters, using mobile radio-direction finders, with disastrous consequences.

You must have all sorts of special devices for bringing planes in over very small dropping zones—known as Dee Zeds in the trade—at night in enemy territory. The primitive way to do this is by agreed signal lights or even brush fires lighted on a prearranged pattern, tended by guerrilla reception committees. These reception committees guide the planes into the Dee Zed, and then haul away and hide the parachuted containers of weapons and supplies. The trouble is that the enemy can set up false reception committees. This the Germans did in the last war, using them just the way a duck hunter uses his decoys. A plane with bomb bays open to parachute, slowed down to stalling speed over an area well stacked with anti-aircraft guns, is a very dead duck indeed.

Toward the end of the war various gimmicks were developed to outwit the Germans—Rebecca-Eureka two-way electronic bleep devices, for example, to guide a pilot in over a Dee Zed from great distances on an agreed signal, or the S-phone, which permitted a man on the ground to talk a pilot in over the Dee Zed. For effective guerrilla support, you need this sort of thing—and much more which is still secret.

Even more, you need trained men—specially trained pilots and navigators to drop thousands of tons of weapons and supplies on pin-point targets at night behind enemy lines; radio operators able to send and receive in code at 30 words a minute under the worst possible conditions; liaison officers who speak the language, who can train guerrillas in the use of the parachuted weapons, who know your political and strategic objectives, and who can promote these objectives effectively. The task of supplying friendly guerrillas in wartime is a job for professionals.

The job on the other side of the lines—in enemy territory—is a job for professionals, too. Guerrilla fighting is highly specialized, different from any other. A regular infantry commander is no more trained to lead guerrillas than he is to lead a flight of bombers. It is the infantryman's job to take and hold ground, at whatever bloody cost. A true guerrilla never tries to hold ground. If he does, he is soon a dead guerrilla.

The French summed up guerrilla tactics in three words, drummed into the heads of recruits to the French Maquis: "Surprise, mitrillage, évanouissement." These three words—which can be roughly translated as "surprise, shoot, scam"—give a mental picture of the classic guerrilla operation. An unsuspecting and unready enemy unit—a supply convoy, a headquarters behind the front—is suddenly and viciously attacked. Then the guerrillas run—they run like the devil. Before a counterattack can be organized, the guerrillas have vanished. What is an enemy commander to do when the men who have been massacring his forces from concealed positions, instead of presenting a bold and united front, simply disappear?

Regular army troops are not encouraged to memorize the old couplet, "He who fights and runs away will live to fight another day." Yet this precisely describes correct guerrilla tactics. Mao Tse-tung, ruler of Communist China, and, as we shall see, the greatest professional guerrilla of our generation, put it another way: "Guerrillas should be as cautious as virgins and as quick as rabbits."

This suggests a rather surprising characteristic of properly led guerrilla warfare. It is really not a very dangerous sort of fighting. After all, an infantryman who was as cautious as a virgin and as quick—to run—as a rabbit would not be much of an infantryman. The few hundred Americans who parachuted to the resistance movement in the last war, asked about their war experiences, are apt to respond with the white-knuckled, tight-lipped, glassy-eyed routine. They like to think of themselves as heroes. A few of them were. Most of them were nothing of the sort.

Over-all, they took less than 10 percent casualties. This is about the average percentage in months of guerrilla operations—less than a good infantry outfit would expect in an afternoon's rather desultory battle. Yet though guerrilla casualties are almost always low, guerrillas can inflict an enormous amount of damage. To quote Mao Tse-tung again: "Guerrillas may be compared to innumerable gnats, which, by biting a giant in front and rear, ultimately exhaust him." The giant can rarely bite the gnats back.

Because a guerrilla attack is always a surprise attack, a properly led guerrilla movement should inflict casualties of at least 10 dead enemy to 1 dead guerrilla—and in the last war, the ratio was quite often as high as 50 to 1. Moreover, killing enemy troops is only part of a guerrilla's job. More often, he is attacking objects which don't fight back—like the railway track in your imaginary exploit, or a power station, or a bridge. Or he is collecting information—a good guerrilla leader knows everything—absolutely everything—about the enemy, and this information is invaluable on both sides of the front lines.

Indeed, a resistance movement which does nothing at all but collect information about

the enemy is of enormous value, if the information can be transmitted to the other side of the lines. And the radio makes this possible. But it is the plane and the parachute which have transformed the guerrilla art, adding a whole new dimension to modern war.

No one who has ever experienced what the French called a parachutage will ever forget it—the nervous waiting in the darkness; the distant drone of engines, growing nearer; the frantic blinking of the recognition signal as the uncertain outlines of the great planes become visible against the night sky; then the sharp crack of the parachutes, opening like ghostly flowers in the dimness as the heavy metal containers sway down to earth.

Among the men of the resistance, as they lugged the containers off to hiding places and opened them, there was always something of the hysterical joy of small children opening their Christmas stockings. But this was no mere childish joy. For the containers, full of weapons and supplies, provided the means of maintaining life and inflicting death. They were the lifeblood of the resistance.

As long as this lifeblood flows, a guerrilla movement can be a nightmare to an occupying power. No occupying army can afford to commit much more than one soldier to every 80 conquered civilians. Assume that the 80 hate the 1. What happens when the 80 are armed? This is a question which should send shivers up the spine of any world conqueror.

The plane, the parachute, and the radio make it possible to arm the 80. But, as we have seen, arming the 80 requires the most careful and complex organization. Belatedly and haphazardly, the United States and Great Britain did create such an organization. The British, desperate for allies in the early days, were the first to sense the possibilities. They organized a resistance service which they called the Special Operations Executive. We followed suit with the Special Operations Branch of the Office of Strategic Services. SOE and SO-OSS dropped thousands of men into the resistance movements, and tens of thousands of tons of arms and explosives. The dividends they paid were startling.

But even during the war, the essentially political nature of guerrilla warfare was overlooked. The rule was that we supported anyone willing to kill Germans. The result has been that Communist guerrillas from Indochina to Greece were armed with British and American weapons, while in western Europe the Communists have cached great stocks of our weapons against the day when the Kremlin orders direct action.

Since the war, moreover, the new idea—the idea of arming the conquered against the conquerors—has been all but forgotten. We are not prepared, either in war or in so-called peace, to exploit the rage and despair of the masses of the people within the great new Soviet empire.

Now consider the other side of the picture. Some months ago Nicolai Bulganin, former Soviet war minister and one of the most powerful members of the Politburo, boasted rather smugly that the Soviet Union now possessed "an entirely novel doctrine of warfare." This doctrine is squarely based on guerrilla fighting. And Bulganin pointed out—as quoted in F. O. Miksche's interesting book, *Secret Forces*—that the new doctrine could be used to gain the Kremlin's ends "without resort to regular army warfare." In fact, the "novel doctrine" has been so used all over the world since the last war—in Greece, for example, and in Burma, in Malaya, in Indochina, in the Philippines and in China itself. We have fair warning that it is going to be used in Korea.

The history of this novel doctrine, in fact, goes right back to that curious, neurotic, mid-nineteenth-century figure, Karl Marx.

Marx first evolved the theory of guerrilla war as an instrument of revolutionary power, and christened his theory "the people's war." He noted the essential fact about guerrilla fighting—that there is no means of striking at the roots of a combination of this kind.

Nicolai Lenin elaborated the theory of the people's war in a number of studies which now form an important part of Communist holy writ. Lenin concluded: "Marxism recognizes the inevitability of new forms of struggle as social conditions change. . . . Guerrilla warfare is the inevitable form of struggle when the mass movement has reached the stage of rebellion."

The people's war theories of Marx and Lenin were thoroughly battle-tested, with striking success, in the Russian revolution and the civil war which followed. Lenin's successor did not forget the lessons which Marx and Lenin had taught. On June 22, 1941, Adolf Hitler ordered the attack on Nazi Germany's erstwhile ally, the Soviet Union. On July 3 Josef Stalin gave the following order to the Russian people:

"In areas occupied by the enemy, guerrilla units, mounted and on foot, must be formed; diversionist groups must be organized to combat enemy troops, to foment guerrilla warfare everywhere, to blow up bridges and roads, to damage telephone and telegraph lines, to set fire to forests, stores, and transports. In the occupied areas conditions must be made unbearable for the enemy and all his accomplices. They must be bombed and annihilated at every step and all their measures frustrated."

Hitler joyfully interpreted this order as a confession of Stalin's despair. It was nothing of the sort. It reflected a military and political strategy which had been carefully elaborated long before Hitler's attack.

As long ago as 1933, in a partisan directive of that year, the Kremlin ordered theoretical study of guerrilla warfare and training in the guerrilla art. By 1934 Stalin was already warning the bourgeois states against making war on the Soviet Union: "It would be a most dangerous war for the bourgeois, for the reason that it would be waged not only at the front but behind the front lines." And by 1941, when the Nazis struck, the Kremlin was ready or so the Kremlin thought.

A central staff of the partisan movement had been created, enjoying separate and equal status with the supreme command of the Red army. An elaborate chain of command was prepared on both sides of the front, through the chief of the partisan staff, General Ponomarenko, up through Secret Police Chief Lavrenti Beria to Stalin himself.

Thousands of specialists in guerrilla warfare, trained before the war, were ready. So was a complex system of communication and supply, also organized before the war.

Then Stalin and the Politburo received an unpleasant surprise. Nothing happened when Stalin gave the order above quoted. The reason nothing happened is deeply significant. German combat commanders generally followed a policy of leaving the Russian people to their own devices. Churches were reopened, the collective-farm system broken up. As a result, almost everywhere in Russia the Germans at first were greeted with bread and salt, the traditional symbols of welcome. Festivals and folk dances were arranged for the amusement of the German troops, and hundreds of thousands of young Russians volunteered to join the invading armies.

Then, as the regular armies fought their way east, the Gestapo took over, and ran the occupied territories in strict accordance with Hitler's theory that Russians were an inferior race, fit only to be slaves. Beria's secret police and Ponomarenko's partisan command were thus enabled to retrieve the situation. Agents were sent into occupied

territory with orders to commit atrocities against the Germans. The Gestapo, in reprisal, burned villages, and tortured and hanged hostages. For the first time, a fierce hatred of the Germans was born, and with it a guerrilla movement supported by the people. The Germans retaliated with ever-mounting brutality . . . and more Russians joined the guerrillas.

Even so, it was not until a full year after the invasion that Stalin's careful preparations for guerrilla warfare began to bear real fruit. But by 1943 great areas of occupied Russia were under partisan control, especially in the vast stretches of central Russia, where endless marshes and forests provide ideal guerrilla cover. Ponomarenko's partisan command maintained a fleet of planes—mostly American C-47's—which not only supplied the guerrillas with weapons but even flew out crops grown under guerrilla control to feed the besieged populations of Moscow and Leningrad.

The measures taken by Stalin and Beria to insure against the partisans' turning against the Kremlin itself are also significant. Political commissars were flown in to suppress all evidence of independent political thinking among the guerrillas. The discipline was ferocious. Here are a couple of random examples—from an article in the *Infantry Journal*—of how the guerrillas were kept under control:

"MAY 11, 1943.—Repeated licentiousness in dealing with women has caused pregnancy in seven cases. These women are a bother. Shoot them."

"SEPTEMBER 22, 1943.—Platoon leader Lukinov extorted brandy and caroused with his platoon. Shoot him."

Whether in spite of or because of this ruthlessness, the Russian partisan movement grew from a thorn in Hitler's side until it became a dagger in his heart. In a single night, for example, on the front of the Third Panzer Division before Moscow, Russian guerrillas completed 15,000 separate road and rail demolitions. That night's work resulted in the collapse of the whole German communications network in the Moscow area, and made possible the first great Russian break-through.

By 1943, according to evidence in the files of the defense department, Russian partisans were tying down no less than 100,000 German combat troops in German Army group center alone. And the supply problem became almost insuperable. Great stretches of road and rail had to be abandoned by the Germans. By 1944, even hundreds of miles behind the front, it was necessary to armor-plate all German supply trucks.

It is no wonder that the authoritative *Infantry Journal*, after a careful study of Russian guerrilla warfare, concluded that the Russian partisans gave Stalin the necessary margin of victory. Herr Goebbels, Hitler's brilliant, vicious little propaganda minister, said shortly before his death that the greatest single German mistake of the war was the failure to deal adequately with the Russian guerrilla resistance. Hitler himself paid his final respects to the Russian partisans, and to the other guerrillas who had harried and badgered his Wehrmacht, when he tried to form his own guerrilla movement, the Werewolves. Because the war was already lost, the German people had no hope of victory, and the attempt failed miserably.

So much for Europe and the war. The Kremlin successfully exploited the fourth dimension of modern war, the dimension of the war behind the lines, despite the initial almost universal disloyalty of the Russian people. The Kremlin's success derived from the fact that the Soviet leaders thoroughly understood the nature of guerrilla war, and were thoroughly prepared beforehand. By contrast, we entered the war with no understanding at all of the military possibilities of

guerrilla fighting or of its political meaning. We nevertheless accomplished a great deal . . . but belatedly, and almost by accident.

Now let us turn to Asia. The Japanese encountered almost as much trouble from guerrillas as Hitler did during the war. But what is really meaningful is what has happened in Asia since the war.

In 1937 Mao Tse-tung wrote a remarkable treatise on guerrilla warfare, from which we have already quoted. This treatise, the bible of the Asiatic Communists, is almost unknown in the West—only one English translation, by a coauthor of this article, Colonel Griffith, exists. Mao concluded this treatise with a warning:

"Historical experience is written in blood and iron. We must point out that the guerrilla campaigns being waged in China today are a page in history that has no precedent. Their influence will not be confined solely to China but will be world-wide."

When Mao Tse-tung wrote these words he commanded a Communist guerrilla army which the Japanese regarded as an essentially unimportant collection of tattered bandits. Mao Tse-tung now rules a nation of 460,000,000 people. And he is the chief architect of a strategy designed to repeat the Communist triumph in China all over Asia.

There is no mystery about this. Mao Tse-tung's strategy was spelled out in detail for the benefit of Communist leaders from every country in Asia at a meeting in December 1949 in Peiping. A number of Russian Communists were present. But the Chinese, rather than the Russians, dominated the conference. They laid down the strategy.

The meeting was entirely businesslike. Just as an insurance salesman rates his prospects, so all the countries of Asia were rated according to their vulnerability.

Three countries—Mongolia, China, and North Korea—were already safely in Communist hands. They were assigned the role of forming a firm base in the drive for power. Six countries were designated ripe prospects for immediate conquest—South Korea, Indochina, Siam, Malaya, Indonesia, and the Philippines, in that order. Seven countries were designated unripe at present—Iran, Pakistan, India, Australia, Ceylon, Japan, and—rather surprisingly—Burma. In these countries a preliminary softening-up process is to continue for a time.

The technique of conquest is to be patterned precisely on the technique employed by Mao Tse-tung in the capture of China. It is squarely based on guerrilla war.

Mao Tse-tung has basically revised the theory of the People's War, sired so long ago by Karl Marx. All students of guerrilla war, including at one time Mao Tse-tung himself, have believed in the past that guerrillas can never by themselves win through to final victory; they can only be a complement to regular forces fighting at the front. But Mao Tse-tung proved in China that guerrillas, given the support of a great power and given moderate techniques of communication and supply, can themselves be gradually transformed into regular forces. They can then win total victory.

This is, of course, precisely what happened in China, with the Soviet Union cast in the role of the supporting power. The Communist guerrillas in Indochina have now reached the stage of being transformed into regular forces, with China as the supporting power. According to the Communist strategy laid down in Peiping, this sequence of events is to be repeated throughout Asia, until all Asia is Communist-ruled.

The Peiping strategy is continuing on schedule. Korea is now obviously the major target. But Indochina also is in desperate danger, and 150,000 good French troops are tied down there. Some 90,000 British and

Malayan troops are dealing none too successfully with a few thousand Communist guerrillas in Malaya. Unless we very soon understand what is going on and take determined measures to deal with it, all Asia will be lost.

How do you deal with guerrillas? First, there is one way not to deal with them. This is by a campaign of retaliatory terror directed against the civilian population. Innumerable military commanders, from Napoleon through Hitler, have tried the technique of terror. It may lead to a surface calm, a deathly stillness, for a time. But in the end it is always fatal. With mathematical certainty, the guerrillas are in the end enormously strengthened by the hatred of the survivors.

There are certain purely military techniques for dealing with guerrillas. The German generals in Russia, toward the end of the war, created special antipartisan forces, called Jagd-Kommandos. These were lightly but powerfully equipped columns, manned by elite troops, extremely mobile, with an elaborate communications network and with plenty of aircraft for transportation, observation, and support. By the time the Jagd-Kommandos came into existence, it was already too late. But the Germans were on the right track. This sort of specially trained mobile force can do much to seal off guerrillas from their bases of supply and to keep them on the run.

Yet one fact cannot be emphasized too much—there is no purely military solution whatsoever to the problem posed by modern guerrilla warfare. Military strength is an essential component. But the only final solution is a political solution.

"Guerrillas," Mao Tse-tung wrote, "are like fish, and the people are the water in which the fish swim. If the temperature of the water is right the fish will multiply and flourish."

We and our allies in Asia and Europe must control the temperature of the water in which the Communist fish are swimming. This is what we did in the two nations—Greece and Indonesia—where Communist guerrilla movements have met with total defeat. We controlled the "temperature of the water" in Greece by backing the Greek Government with military and economic aid. We controlled it in Indonesia by supporting the fight of the Indonesian leaders for independence.

This suggests the nature of an effective defense against Mao Tse-tung's strategy of conquest. Military strength is deeply important, and nowhere on earth is military strength more respected than in Asia. But we must also replace the false revolutionary appeal of communism in Asia by a revolutionary appeal of our own—for the situation almost everywhere in Asia is intrinsically revolutionary.

This cannot be done by futile mouthings about "our way of life"—they mean precisely nothing at all to Asiatics. It can be done only by offering the two things Asia wants above all—national independence and a level of life somewhat above the animal—and by being prepared to deliver on the offer.

But defense is never enough. It is not enough merely to attempt to control the "temperature of the water" in the threatened areas of the non-Communist world. We must have fish of our own, capable of swimming in Communist waters. We must support, arm, and even help to create—quite openly if need be—guerrilla movements within the vast new Soviet empire of tyranny.

It will be said that guerrillas cannot operate successfully within a ruthless totalitarian state. This is nonsense. A totalitarian state is totalitarian only because it possesses a monopoly of power—and power, in the last analysis, means guns. Put guns into the

hands of the enemies of the state, and the monopoly is broken.

It will also be said that the Kremlin will go to war in response to so direct a challenge to its authority. This, too, is nonsense. No sane man doubts the identity of the power which has armed and supported the Communist guerrillas in Greece, for example, or Korea, or China itself. A boxer fighting according to the Marquis of Queensberry rules cannot long survive against a thug with a shiv. If we are to survive, we must be prepared to use the shiv.

And the opportunity is there. It is greater, perhaps, than any of us realize. Remember the bread and salt with which the Russian people at first greeted the German invaders. Remember the thousands of Russians and eastern Europeans who preferred death to repatriation to their homelands. Remember the tens of thousands who have risked death to escape since the war. The rage and despair of the people in the satellite states and in the Soviet Union itself are the ideal raw material of resistance.

Chou En-lai is himself the authority for the statement that today there are no fewer than 250,000 bandits in China—bandits is the word always used by those in authority to describe hostile guerrillas. Let us support these bandits, just as the Soviets supported Chou En-lai and Mao Tse-tung when they were bandits. Let us support other bandits, especially where there is a common frontier between Soviet empire and the west—in Eastern Germany, in Poland, in Czechoslovakia, in Bulgaria.

To do this will require an elaborate organization, staffed by professionals who thoroughly understand both the political impact of guerrilla fighting and modern techniques for supporting guerrillas. There is already the nucleus for such an organization in the Central Intelligence Agency. But it must be very greatly expanded if the opportunity to turn the two-edged sword of guerrilla warfare against the Kremlin is to be efficiently exploited.

Make no mistake about it, the men in the Kremlin are fully aware of the fact that guerrilla warfare is a two-edged sword. In 1919 anti-Bolshevik guerrilla bands were organized in the Ukraine. When he learned of this, there was something very like hysteria in the reaction of the usually icy Lenin.

"We must dread these guerrilla tendencies!" Lenin shouted at his fellow Bolsheviks. "We must dread them like fire, or they will lead to our destruction!"

Lenin's successor is quite aware of the deadly hatred for his regime which underlies the carefully organized adulation for "the great comrade Stalin." He, too, must dread "guerrilla tendencies" like fire. For they could lead to his destruction.

Mr. O'CONOR. Mr. President, the insertions to which I had reference are as follows:

UNITED STATES SHIP WILL TAKE STEEL PLATES TO MAO

HONG KONG, December 4.—The Isbrandtsen Steamship Co. of New York plans to send its ship *Flying Clipper* from Hong Kong to Communist China tomorrow, carrying a cargo of steel plate and cotton.

The line's agents, Pattison & Co., said the ship would sail as scheduled despite the fact several crew members refused to sail to the Communist port of Tsingtao.

The American consulate said the crew members visited the consulate Friday shortly after the arrival of the *Flying Clipper* to determine whether they had any grounds to leave the ship.

The consulate pointed out to them that they had signed articles for the entire trip in New York, even though they knew it would call at Tsingtao.

STATEMENT BY SENATOR O'CONOR

It is gratifying to be able to report to the Senate that, after the extensive investigation by the Senate Subcommittee on Maritime Matters, it has been announced that strict controls will hereafter be applied—effective last midnight—on all shipments destined for Communist China, Hong Kong, and Macao.

This action is in line with the requests made by us to the Office of International Trade and is in accord with the public demand which I made on the Senate floor last week at the time of introducing Senate Resolution 365 for an all-out investigation pertaining to shipments to Communist-dominated areas.

While we hail the action taken by the Commerce Department, it is to be regretted that it has been so long delayed. The Communists have been in control of China for over 14 months and the United States fighting forces have been engaged in deadly combat with the Communists in Korea since last June. It is, therefore, more than surprising that it is not until December of 1950 that these materials, which can unquestionably be put to strategic uses in the building of the industrial potential of the Communists, are now brought under controls.

An important fact to be stressed is that the mere application of control procedure does not mean that the United States is going to prohibit the transportation of possible strategic supplies to China. What we demand is that there be no licenses issued for anything which can help the military potential of our avowed enemy.

Of great importance is the announcement that the new regulations will apply to transshipments of strategic materials originating in foreign countries and passing through United States ports. Our subcommittee high-lighted this as a glaring loophole in the preexisting system which allowed sizable shipments of strategic goods to reach Communist hands.

I mention in this regard boiler tubes from Germany, silicon steel plates from several countries of western Europe, copper from Japan, and other items which we definitely have established were purchased in those countries by American companies for the express purpose of shipping to Communist consignees.

The hearings of our subcommittee brought out clearly that certain products were being permitted to go to Communist China as non-strategic which common sense tells us are highly strategic. On this point the Commerce Department has come to agree with the subcommittee with relation, for instance, to such items as petrolatum, certain types of sheet steel, and penicillin and other medicines.

In penicillin alone it was ascertained that tons of this vital antibiotic have been flown to Communist China since the opening of hostilities in Korea. Yet the Department did not place it on the restricted list until November 16. From the huge amounts shipped, it would seem likely that Communist forces have a large enough quantity of penicillin necessary to keep their fighting forces in condition to murder our fighting men, and they got this penicillin right from our own country.

While agreeing that the action of the Department in restricting all direct shipments to Communist China is a step forward, let me emphasize that this action does not cover a very great source of help to the Communist countries with which our subcommittee has been concerning itself likewise. This is the question of strategic items which go from our allies, from foreign countries which are being furnished American financial and other assistance in great quantities and which, nevertheless, are continually dealing with and supplying our Communist

enemies with items highly necessary to the conduct of their war against United Nations forces.

This entire matter of export controls must be gone into very thoroughly. It was for this reason that I introduced last week a resolution asking for Senate authority to broaden the investigation into export regulations and policies. For weeks United States representatives in Europe have been meeting with representatives of our European allies regarding the matter of trade with Communist countries. It is an open fact, however, that despite these efforts such countries as England, Belgium, France, and others are sending to Communist Russia and her satellite countries the most highly strategic materials and products, including copper, steel, machine tools, automobiles, and other transportation equipment. Only last week Belgium effected a trade agreement to send large quantities of copper and steel products to Russia in exchange for wheat and certain Russian products.

The American people demand that our officials act in protecting United States interests and prevent continuation of the shipments of any items which our enemies need badly for their war upon us. It is high time that effective steps be taken to close the many doors through which these strategic materials have been getting to our enemies.

While it is apparent that the executive branch now has taken definite steps to tighten our controls of strategic materials to Red China and other Communist-dominated areas, it is quite apparent that these steps would not have been taken had not the Congress, through its investigation, emphasized the need for such action.

Because of the great importance of strengthening our control program at all levels at this time, I believe that both the executive and the legislative branch should continue to examine thoroughly the entire program.

ACHESON MUST GO

MR. KEM. Mr. President, never before in the history of the Republic have our people faced such a critical period. Today our Army in North Korea is being overwhelmed. It is a time for plain speaking.

Never before has our need been greater for a Secretary of State capable of making wise, sound, consistent decisions. Have we such a Secretary of State today? The record will give the answer.

MR. ACHESON AND MR. HISS

At the outset of his diplomatic career, Mr. Acheson associated himself with a group of men who believed in what they were pleased to call the great design. This was no more nor less than the appeasement of Russia. This plan of giving Stalin everything he asked for has proved a failure—a tragic failure. Mr. Acheson has never been able to rid himself of remnants of either his early point of view or his long-time association.

In 1939, before Alger Hiss did his deeds of shame at Yalta, Dean Acheson stated, "Don't investigate Hiss, I will vouch for him completely." Mr. Acheson kept Hiss, retained him in top jobs in the State Department and finally brought about his appointment as head of the United Nations Convention in San Francisco.

Mr. Acheson sent Hiss to Yalta. There Hiss and Gromyko drafted the Yalta agreement. Arthur Bliss Lane, our American Ambassador to Poland, said of this agreement, "As I glanced over the

document I could not believe my eyes. To me almost every line spoke of a surrender to Stalin."

It was Mr. Acheson who said, "I will not turn my back on Alger Hiss," after Hiss had been convicted for his activities in connection with the delivery of State Department secrets to a man named as an espionage agent.

I wonder what the American boys fighting for their lives on the icy slopes of North Korea think of this beautiful relationship. What a somber spectacle confronts us today—our soldiers fighting against overwhelming Red forces—our State Department, guided by a man, for a long time identified with a policy, the inevitable result of which was to strengthen the power of the Soviet Union.

MR. ACHESON ZIGZAGGED US INTO WAR

Under Mr. Acheson, the United States cannot be said to have a foreign policy. We have had a whole series of policies, each differing from the other, in essential particulars.

The Acheson foreign policy of December 1950 is not the Acheson policy of 1949. It is not even the Acheson policy of May 1950. Inconsistencies of action and opinion may sometimes be justified when they arise from changing circumstances. But what has been described as our foreign policy under Mr. Acheson has consisted of nothing more nor less than a series of wavering, spur-of-the-moment pronouncements, most of which were exactly what the Reds anticipated and desired. Mr. Acheson zigged, and he zagged, until he zigzagged us into war.

On February 24, 1949, Mr. Acheson said that it was the policy of the administration to wait until the dust settled in China. The administration waited. When the dust had settled, the Reds had grabbed all China except Formosa. Thereupon Acheson announced: "A new day has dawned in Asia." Then the State Department sent a secret memorandum to its representatives in the Far East saying that it would accomplish no material good to send naval units to Formosa and that the loss of the island was widely anticipated.

On January 12 of this year, Mr. Acheson warned against what he called "foolish adventures" in the Far East, such as intervention on Formosa. At that time he drew a line through Japan, Okinawa, and the Philippines and said we would defend them against attack. But he gave no such assurance as to Korea or Formosa or southern Asia.

This statement by Mr. Acheson must have been interpreted by Stalin as an invitation to attack. The Reds had a right to believe that they had a free pass into Korea.

When the Reds made their attack in Korea, the State Department hastily reversed itself. The decision to defend Korea and to send the Navy to protect Formosa represented a complete about-face—a complete repudiation of Mr. Acheson's program and policy. If Mr. Acheson had drawn the line in South Korea and warned that we would defend it—as we are defending it now—we probably would not be fighting there today.

MR. ACHESON TIED GENERAL MAC ARTHUR'S HANDS

After having blundered into war, the least Mr. Acheson could have done was to give General MacArthur and his gallant troops a free hand, as the Senator from California [Mr. Knowland] said. Mr. Acheson has not done this. Instead, at his behest the hands of General MacArthur have been tied. Our fighting men have been forbidden to strike across the Korean border at the Chinese Communists. Mr. Acheson has created a vacuum—a sanctuary for Red troops—behind the Yalu River, where they are free from attack in their assembly areas in Manchuria.

In an interview last Saturday, General MacArthur described this as "an enormous handicap, without precedent in military history." Officers on General MacArthur's staff have stated flatly that it would be impossible to fight the war while the enemy had "protected bases across an inviolate frontier."

This sanctuary is not the creation of the United Nations. It is the brain child of our State Department. According to an Associated Press article in the New York Times for December 2, "highly placed administrative sources in Washington said it was the United States Government rather than the United Nations that had forbidden General MacArthur to send troops or bombers across the Korean border to smash at strategic targets in Red China."

There are, Mr. President, and always will be doubts in my mind as to the wisdom of the President's action in sending, without the authority of the Congress, American forces into Korea. But since we have resorted to the sword in Korea, we should swing it with all the force at our command. We must not force our boys to fight with one arm tied behind their backs. As the Dallas News has sagely commented: "War is no game for handicaps."

HOW LONG MUST WE WAIT?

Mr. President, how long must we wait? How long can one be as wrong as the present Secretary of State has been, and still continue in that high office, the wise conduct of which means so much for the peace of the world?

The boys who are fighting and dying in Korea—their mothers and fathers and friends, all of us—deserve a prompt and satisfactory answer. The public is demanding a decisive answer. And the only answer that will meet with public acceptance is a thorough house cleaning of the State Department, set off by the departure of Mr. Acheson.

MISSOURIANS EXPRESS THEIR VIEWS

Last Wednesday Secretary Acheson, in an effort to justify his position, took to the air to address the American people. He gave voice to a number of studied and pious platitudes, accompanied by much waving of his index finger. Following that address, the mail coming into Washington demanding the removal of Mr. Acheson was expected in official circles to drop off. So far as my office is concerned it has increase in volume and in violence. I have not received a single letter expressing approval of the Secretary's speech.

Let me read a few excerpts from some of the letters on this subject. I am confident that every Member of the Senate has received letters to the same effect. I shall, therefore, recite only a few extracts. Here is the reaction in the State of Missouri:

A telegram from Kansas City states:

It is inconceivable that our Nation is as bankrupt of leadership as has been exemplified by the address of Dean Acheson. It is time our Government is cleansed of him and his clan before it is too late.

Another telegram from the same city asks:

Why don't you get rid of Acheson and his gang before it is too late?

A Kirksville woman writes:

I listened to the speech of the Secretary of State. He didn't tell us anything we didn't already know, and I'm sick and tired of that whole mess from him down to the office cat. I know the records have been cleaned out but isn't there some way to clean out the people, too!

A woman from Kansas City says:

In the name of God do something to get Acheson and his Communist clique out of our Government.

"In the name of God do something," she says. She does not speak irreverently. This comes from the heart of a good, God-fearing woman.

From Kirksville a man and his wife write:

The past 5 years of appeasement of Russia by Acheson and his party is showing up more and more every day. And this appeasement is the cause of our American boys being killed on the far-away battlefields today.

It is time Acheson and his entire gang was kicked out. Why fight Communists thousands of miles away and protect them at home, and especially in our Government.

The American people are getting pretty tired of this kind of stuff.

A man from the President's home town of Independence writes:

Please work hard toward getting a new State Department—a strong, fighting one. Acheson should go immediately.

A Kansas City student now doing graduate work at the University of South Dakota writes me from Vermillion:

It is my opinion that Secretary of State Acheson should be removed from office immediately and all of his fellow travelers. A thorough house cleaning in the State Department should take place and no holds barred. Whether the man be Democrat or Republican, if he is an Acheson man or Communist sympathizer he should be removed.

And a housewife says simply:

Fire Acheson.

A telegram from a leading Kansas City lawyer states:

There is a growing demand for a clean-up in the State Department and for strong, forceful leadership in time of crisis.

A woman writes from Carthage:

Is there no way that this Nation can be freed from the muddling and fumbling of the Communist appeasers like Dean Acheson in our Government?

From Joplin a housewife says:

I am writing to urge you as a Member of Congress to use all your power to cause a

complete and absolute change in our State Department policy and personnel.

THE PEOPLE WANT A SECRETARY OF STATE LIKE TAFT OR BYRD

From Richmond Heights comes this:

The situation in Korea demands that Congress clean out the State Department and replace Acheson with a man of the caliber of BYRD or TAFT.

There we have it. The thinking people of this country eagerly desire a Secretary of State of seasoned judgment and practical common sense like ROBERT A. TAFT or HARRY F. BYRD.

Our country is in peril. We shrink from thinking of the results of a continuation of the present trend. It is said that we are already in world war two and a half. Perhaps it is too late to avert the catastrophe of a third world war. I do not know. But I do know that as the elected, the trusted representatives of the American people, we in the Congress have a bounden duty to do everything in our power to save the world from this appalling ruin.

We must not only reexamine our foreign policy which brought us to the brink of this catastrophe, we must reconsider, replace and reconstruct it. It must be brought down to earth. Our commitments must be geared to our capacity to fulfill them. The so-called Truman doctrine must be redefined. The first step is to engage the services of a Secretary of State whose inclination and record will inspire faith in his ability to do the job as the American people want it done. Only a completely new, anti-Red State Department will be able to guide the United States through this crisis. President Truman has said that Mr. Acheson is assured "of a place of preeminence among the greatest of our Secretaries of State." If so, the American people are quite content that Mr. Acheson now retire on his laurels. This is the first and a necessary step in the rehabilitation of our foreign policy. It is time to call forward for duty the best that we have.

On February 6 last I made a public statement in which I said, "If Acheson does not resign, the President should remove him." Subsequent developments have strengthened this conviction to the point where I now feel that if Mr. Acheson does not resign, or is not removed, drastic steps to force his removal may be in order.

Unless positive steps are taken, and at once, by the administration to bring about the removal of Secretary Acheson and a thorough house cleaning in the State Department, the Congress of the United States should take whatever steps are required to bring about these results. And so I say, Acheson must go.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the joint resolution (S. J. Res. 207) to continue for a temporary period certain provisions of the Housing and Rent Act of 1947, as amended.

Mr. MAYBANK. Mr. President, as I understand, it was the intention of the majority leader to proceed with the rent-control joint resolution after several distinguished Senators had completed their remarks.

The PRESIDING OFFICER. The Chair advises the Senator from South Carolina that the rent-control joint resolution is the unfinished business.

Mr. MAYBANK. Mr. President, there are several committee meetings in progress. The Senator from Washington [Mr. CAIN] desired to be heard. He told me that he was to address the Municipal League today at 12 o'clock, but that he would return to the Senate Chamber by 2. I have assured my good friend the acting minority leader [Mr. SALTONSTALL], as well as the Senator from Nebraska [Mr. WHERRY], the minority leader, that the Senator from Washington would have an opportunity to be heard. Therefore I suggest the absence of a quorum, so that Senators may have an opportunity to reach the Chamber. If the Senator from Washington does not return, I shall speak briefly upon the joint resolution.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Mundt
Anderson	Holland	Neely
Bricker	Hunt	Nixon
Butler	Ives	O'Connor
Byrd	Johnson, Tex.	Pepper
Cain	Johnston, S. C.	Robertson
Capehart	Kefauver	Russell
Carlson	Kem	Saltonstall
Chapman	Kerr	Schoeppel
Chavez	Kilgore	Smith, Maine
Clements	Knowland	Smith, N. C.
Connally	Langer	Smith, N. J.
Cordon	Leahy	Stennis
Donnell	Lehman	Taft
Dworshak	Long	Taylor
Eastland	Lucas	Thomas, Okla.
Eaton	McCarthy	Thomas, Utah
Frear	McClellan	Thye
Fulbright	McFarland	Tydings
George	McKellar	Watkins
Gillette	McMahon	Wherry
Gurney	Magnuson	Wiley
Hayden	Malone	Williams
Hendrickson	Maybank	Young
Hickenlooper	Millikin	
Hill	Morse	

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). A quorum is present.

Mr. MAYBANK. Mr. President, the unfinished business is the joint resolution extending rent control for some 60 days, so that the new Congress may or may not write a new rent-control bill when it meets in January.

Three days ago I spoke extensively on the subject of the joint resolution. I understand that other Senators wish to speak on that question, and I wish to make a few additional remarks.

The acting minority leader suggested to me that he would like to make a speech on the subject. The Senator from Washington [Mr. CAIN], who wishes to speak on this question, has not yet returned to the Chamber. I assured him that I would do nothing in respect to having the Senate act on the measure until he had a chance to speak.

So I shall yield to the acting minority leader, the Senator from Massachusetts [Mr. SALTONSTALL], if that is agreeable.

Mr. SALTONSTALL. I thank the Senator. I have a brief speech, requiring perhaps 30 seconds, which I should like to make on this subject, either at this time or at a later time, whichever is more convenient. I shall speak either

in the time of the Senator from South Carolina or in my own time.

I have checked with the Senator from Washington (Mr. CAIN), and I understand that he will be in the Chamber in a few minutes.

Mr. MAYBANK. I did not check with the Senator from Washington, because I was sure the acting minority leader would do so. The Senator from Washington told me that he wished to make a speech which would require perhaps half an hour.

At this time I yield to the Senator from Massachusetts, if he wishes to have me do so.

Mr. SALTONSTALL. I shall be glad to have the Senator yield to me now, to permit me to make a brief statement on this question.

Mr. MAYBANK. I am happy to yield.

Mr. SALTONSTALL. Mr. President, at the election on November 7 there was the following question on the ballot in Massachusetts:

Shall a declaration be made by popular referendum, pursuant to the Housing and Rent Act of 1950, that a shortage of rental housing accommodations exists which requires the continuance of Federal rent control in this city (or town) after December 31, 1950, and until the close of June 30, 1951, in accordance with the provisions of said act?

In Massachusetts there are 39 cities and 312 towns. The question was not on the ballot in 49 towns. All the 39 cities and all but 34 of the towns which participated in the referendum voted in the affirmative. All of these 34 towns are small. Inasmuch as the registered voters in the cities number 1,616,101 persons and the registered voters in the 312 towns number 868,837, an overwhelming majority of the people of Massachusetts wish this act continued in their localities until June 30, 1951.

I shall support the joint resolution.

Mr. KEFAUVER. Mr. President—

Mr. MAYBANK. Mr. President, I did not know that the Senator from Tennessee wished to be recognized.

The Senator from Ohio (Mr. BRICKER), who is a member of the committee, asked me whether he would be able to make a brief statement at this time, without causing me to lose my right to the floor. I ask unanimous consent that, without losing my right to the floor, the Senator from Ohio may speak at this time.

The PRESIDING OFFICER. Without objection, it is so ordered; and the Senator from Ohio is recognized.

Mr. MAYBANK. Mr. President, I understand that the Senator from Tennessee (Mr. KEFAUVER) desires to be recognized in order to submit a privileged resolution, if that is agreeable to the Senator from Ohio.

Mr. BRICKER. Certainly; I yield to the Senator from Tennessee for that purpose.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

ARREST OF WITNESSES WHOSE TESTIMONY IS REQUIRED BY SPECIAL COMMITTEE TO INVESTIGATE INTERSTATE CRIME

Mr. KEFAUVER. Mr. President, from the Special Committee To Investigate

Crime in Interstate Commerce, I report a resolution and submit a report (No. 2586) thereon. I ask unanimous consent that the resolution be acted upon at this time.

Mr. MAYBANK. Mr. President, I would have to object to any unanimous-consent agreement, because I have assured the Senator from Ohio that he can speak at this time.

Mr. KEFAUVER. I do not think there is any controversy about this matter.

Mr. MAYBANK. If there is no controversy, I am willing to agree to the Senator's request.

The PRESIDING OFFICER. Without objection, the resolution will be read. The resolution (S. Res. 368) was read, as follows:

Whereas the Special Senate Committee To Investigate Organized Crime in Interstate Commerce has reported to the Senate that subpoenas have been issued for certain persons named in the body of this resolution, and that these persons are important witnesses necessary to the investigation being conducted by that committee pursuant to Senate Resolution 202, Eighty-first Congress, second session, and that the said persons have not been located despite diligent search, and that the committee has reasonable cause to believe that the said persons will not appear in response to subpoenas but will continue in hiding to avoid appearance before the committee; and

Whereas the appearance and testimony of the witnesses named in the body of this resolution is material and necessary in order that the committee may properly execute the functions assigned to it and may obtain information necessary as a basis for legislation: It is therefore

Resolved, That the President of the Senate issue his warrants commanding the Sergeant at Arms or such persons as may be deputized by him to take into custody the bodies of: Anthony "Tony" Accardo, alias Joe Batters; Patrick James Burns; Murray Llewellyn Humphreys; Rocco Fischetti, alias Ralph Fisher; Charles Fischetti, alias Charles Fisher, Dr. Charles Fisher, Charles Brown, and Ralph Fields; Joseph Sica; Martin M. Hartman; Ben Marden; John Patton; Elmer (Bones) Remmer; Morris Rosen wherever found, and to bring the said persons before the Special Senate Committee To Investigate Organized Crime in Interstate Commerce in Washington, D. C., then and there to answer such questions pertinent to the matter under inquiry as the said special committee shall propound;

That, for the purpose of executing warrants issued in accordance with this resolution, the Sergeant at Arms may, by blanket order or orders, deputize all law enforcement officers of the Federal Government; and

That the Special Senate Committee To Investigate Organized Crime in Interstate Commerce may discharge any of the persons taken into custody under authority of this resolution upon proper assurance, by recognizance or otherwise, that he will appear for interrogation when required. The committee may require such assurance as it deems necessary not to exceed \$25,000 for any one witness.

For the purpose of discharging any person from custody and ordering assurances, one member of the said committee shall be a quorum.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. LUCAS. Mr. President, reserving the right to object, let me say that it seems to me that the resolution is rather important. I do not recall that such a

resolution has come before the Senate since I have been a Member. I think we should have a quorum call before we act on the resolution. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll, and Mr. AIKEN answered to his name when called.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. MAYBANK. I merely wish to inquire whether, after a quorum is obtained, I shall still have the right to the floor, in view of the agreement under which I yielded?

The PRESIDING OFFICER. The request of the Senator from Tennessee is pending.

Mr. MAYBANK. Mr. President, I demand the regular order.

The PRESIDING OFFICER. The clerk will proceed with the call of the roll.

The Chief Clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

Aiken	Hoey	Mundt
Anderson	Holland	Neely
Bricker	Hunt	Nixon
Butler	Ives	O'Connor
Byrd	Johnson, Tex.	Pepper
Cain	Johnston, S. C.	Robertson
Capehart	Kefauver	Russell
Carlson	Kem	Saltonstall
Chapman	Kerr	Schoeppel
Chavez	Kilgore	Smith, Maine
Clements	Knowland	Smith, N. J.
Connally	Langer	Smith, N. C.
Cordon	Leahy	Stennis
Donnell	Lehman	Taft
Dworshak	Long	Taylor
Eastland	Lucas	Thomas, Okla.
Ecton	McCarthy	Thomas, Utah
Frear	McClellan	Thye
Fulbright	McFarland	Tydings
George	McKellar	Watkins
Gillette	McMahon	Wherry
Gurney	Magnuson	Wiley
Hayden	Malone	Williams
Hendrickson	Maybank	Young
Hickenlooper	Millikin	
Hill	Morse	

The PRESIDING OFFICER. A quorum is present.

Mr. LUCAS and Mr. KEFAUVER addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. LUCAS. What is the business before the Senate at this time?

The PRESIDING OFFICER. The Senator from Tennessee has requested unanimous consent for consideration of the resolution which has been read by the clerk.

Mr. LUCAS. If agreed to will that displace the rent-control measure?

The PRESIDING OFFICER. The Chair would hold that it is a privileged matter. It would not change the status with respect to the consideration of the joint resolution, Senate Joint Resolution 207.

Mr. LUCAS. I have not had occasion to examine the document which has been submitted. It seems to me to be very

far reaching and to involve serious considerations. I think it ought to lie over, or at least be referred to some committee. It ought at least to be given some consideration. I presume there is precedent for the resolution, but there is some doubt in my mind as to whether it is proper at this particular time to present it, in view of what is stated in the resolution itself.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. I may say respectfully to the Senator from Illinois that I understand from those at the desk that the resolution is without precedent. It is in different form from resolutions offered in ordinary contempt proceedings. I therefore feel that the resolution should not be laid over, but should be referred to a committee, which I assume would be the Committee on Rules and Administration. If the committee considers it a proper matter, it will report it promptly no doubt. But if it might establish a precedent, as it would, according to my understanding, then we should not proceed to establish the precedent without at least giving a committee a chance to consider it.

The PRESIDING OFFICER. A motion to refer the resolution would be in order.

Mr. LUCAS. The Senator has asked unanimous consent for the immediate consideration of the resolution. I shall object to that at this time.

The PRESIDING OFFICER. Objection is heard. A motion to refer the resolution to a committee is still in order.

Mr. KEFAUVER. I move that the Senate proceed immediately to consider the resolution, which has been reported.

Mr. LUCAS. As a substitute for that motion, I move that the resolution be referred to the Committee on the Judiciary for further consideration.

Mr. KEFAUVER. Mr. President, I make a point of order against the substitute motion.

The PRESIDING OFFICER. The Senator will state the point.

Mr. KEFAUVER. The resolution is a privileged one, reported by a select committee of the Senate in order to effectuate the work of that committee. The committee from which it is reported has jurisdiction of the resolution and has, by unanimous vote, reported the resolution to the Senate.

Mr. LUCAS. Mr. President, in reply, I submit if the Senator from Tennessee can make a motion, I have a right certainly, under the rules of the Senate to offer a substitute motion for the motion he has made.

The PRESIDING OFFICER. The motion of the Senator from Illinois takes precedence over the motion of the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, a parliamentary inquiry.

Mr. LUCAS. I desire to be heard for just a moment.

Mr. KEFAUVER. Mr. President, a parliamentary inquiry.

Mr. LUCAS. I do not yield for that purpose, if I have the floor.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. LUCAS. Mr. President, I read from the resolution.

Mr. KEFAUVER. Mr. President, I made a point of order. Was the point of order acted upon? If so, what was the ruling of the Chair on the point of order?

The PRESIDING OFFICER. The point of order is overruled.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

Mr. LUCAS. I yield for that purpose.

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. SALTONSTALL. If the Senator is permitted to debate or explain his position on the motion to refer the resolution, does consideration of the motion automatically displace consideration of the rent-control joint resolution, which is now on the calendar, or is unanimous consent required for the Senator from Illinois to discuss his motion to refer the resolution?

The PRESIDING OFFICER. Only temporarily would consideration of the motion displace consideration of the rent-control bill.

Mr. LUCAS. The resolution reads:

Whereas the Special Senate Committee To Investigate Organized Crime in Interstate Commerce has reported to the Senate that subpoenas have been issued for certain persons named in the body of this resolution, and that these persons are important witnesses necessary to the investigation being conducted by that committee pursuant to Senate Resolution 202, Eighty-first Congress, second session, and that the said persons have not been located despite diligent search, and that the committee has reasonable cause to believe that the said persons will not appear in response to subpoenas but will continue in hiding to avoid appearance before the committee; and

Whereas the appearance and testimony of the witnesses named in the body of this resolution is material and necessary in order that the committee may properly execute the functions assigned to it and may obtain information necessary as a basis for legislation: It is therefore

Resolved, That the President of the Senate issue his warrants commanding the Sergeant at Arms or such persons as may be deputized by him to take into custody the bodies of—

Naming the persons—

wherever found, and to bring the said persons before the Special Senate Committee To Investigate Organized Crime in Interstate Commerce in Washington, D. C., then and there to answer such questions pertinent to the matter under inquiry as the said special committee shall propound—

And so forth. Mr. President, under the original power granted to it the committee was given the right to subpoena witnesses whom the committee found necessary or advisable to subpoena in the interest of carrying out the objectives of the resolution under which the committee was created.

The committee has been unable to find certain individuals. I do not know what power the Sergeant at Arms of the Senate has which the investigators of the committee do not have. The investigators have been diligent in their search. The committee has a good many employees available for the purpose of finding witnesses. I do not know how the Sergeant at Arms would be able to find

witnesses any sooner than the committee's investigators.

I read from section 194 of the general and permanent laws relating to the Senate:

Whenever a witness summoned as mentioned in section 192 of this title fails to appear to testify or fails to produce any books, papers, records, or documents, as required, or whenever any witness so summoned refuses to answer any question pertinent to the subject under inquiry before either House, or any joint committee established by a joint or concurrent resolution of the two Houses of Congress, or any committee or subcommittee of either House of Congress, and the fact of such failure or failures is reported to either House while Congress is in session, or when Congress is not in session, a statement of fact constituting such failure is reported to and filed with the President of the Senate or the Speaker of the House. It shall be the duty of the said President of the Senate or Speaker of the House, as the case may be, to certify, and he shall so certify, the statement of facts aforesaid under the seal of the Senate or House, as the case may be, to the appropriate United States attorney, whose duty it shall be to bring the matter before the grand jury for its action.

That is the only reference, I believe, which will be found in the rules with respect to what can be done by the President of the Senate.

Up to this time a witness has been summoned, but he has not been found. Therefore he has in fact not been summoned. Consequently, in my judgment—and this is only an off-the-cuff opinion—a very serious question exists whether or not the President of the Senate has the power to do what is requested. A further examination of the records may disclose that he may have such power, but certainly the importance of establishing a precedent of this kind in the Senate should be carefully weighed. I doubt very much—and it would be interesting to know—that all members of the committee agreed upon the resolution which is before us. I ask the Senator from Tennessee if that is so.

Mr. KEFAUVER. Yes.

Mr. LUCAS. Were all committee members agreed on it?

Mr. KEFAUVER. Yes.

Mr. LUCAS. Do the committee records show that fact?

Mr. KEFAUVER. Yes.

Mr. LUCAS. It is very interesting and I am glad to note that the committee has a record showing unanimous agreement on it. I return to the position I took a moment ago. If we are about to establish a new precedent, as has been indicated by the Senator from Massachusetts—and I have not had an opportunity to examine into that question—certainly no precedent should be established by the Senate based on snap judgment. It is a matter which should be considered by the Committee on the Judiciary. We are dealing with a special committee of the Senate, which has no power other than to recommend legislation. A resolution dealing with the arrest of persons, particularly when the Senate has not been advised of it in advance, presents a very serious proposition. No time could be lost by referring the resolution to the committee, with a view of having the committee advise the Senate within a reasonable time exactly

what the resolution means, how far it goes, and whether or not it is the proper action to take under the rules of the Senate and the laws of the country.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. Do I understand that the Senator's motion specifically is to refer the resolution to the Committee on the Judiciary? I understand him to make the motion in the alternative with reference to the Committee on Rules and Administration and the Committee on the Judiciary.

Mr. LUCAS. I think the Committee on the Judiciary is the proper committee to study the resolution, because the Committee on the Judiciary is composed of good lawyers, who are presumed to be able to examine into such a resolution and to report its opinion as to whether it would set a precedent, and whether it is correct and proper action to take. If it is a proper resolution, obviously I shall follow the opinion of the committee. At this time I do not wish to follow the opinion of the Senator from Tennessee and the committee which has reported the resolution, fresh and new as it is, and apparently without any precedent.

The PRESIDING OFFICER. Does the Senator from Tennessee wish to be heard on the motion?

Mr. KEFAUVER. Yes, I do. The distinguished majority leader is incorrect in stating that this resolution would create a precedent or that the arrest of witnesses whose testimony is wanted by the Senate is new and unprecedented. There is precedent for exactly what this resolution calls for and in at least two cases these precedents have been tested by the Supreme Court which has unequivocally held that the Senate has power to arrest witnesses whose testimony it desires in pursuit of its function and that this power includes the arrest of witnesses whose testimony is sought by committees of the Senate. I refer to *McGrain v. Daugherty* (273 U. S. 135). In that case a select committee of the Senate was investigating the Teapot Dome scandal and as a part of that investigation it desired the testimony of the brother of Attorney General Daugherty. A subpoena was served on Daugherty to appear and testify but he ignored it. The Senate then passed a resolution reciting that Daugherty's testimony was material and necessary in order that the committee properly execute the functions imposed upon it and it then resolved that the President of the Senate pro tempore issue his warrant commanding the Sergeant at Arms or his deputy to take into custody the body of M. S. Daugherty wherever found and to bring the said M. S. Daugherty before the bar of the Senate then and there to answer such questions, and so forth. In other words the Senate resolved that the Sergeant at Arms or his deputy should arrest Daugherty and bring him before the Senate to answer questions. I might say that the resolution in the Daugherty case was used by committee counsel as a model in drafting the resolution we are now discussing. The Supreme Court unanimously held that this warrant of arrest was constitutional and otherwise

lawful. Another precedent is *Barry against United States ex rel. Cunningham*, which is reported at Two Hundred and Seventy-ninth United States Reports, page 597. In that case Cunningham had testified before a special committee of the Senate investigative primary expenditures that he had contributed \$50,000 to the primary campaign of William S. Vare, of Pennsylvania. He flatly refused, however, to tell where he had gotten the money. After the election Cunningham similarly refused to testify before the special committee. Thereafter Vare's election was contested. The special committee recommended to the Senate that Cunningham be cited for contempt, but instead the Senate resolved that a warrant should be issued commanding the Sergeant at Arms or his deputy to arrest Cunningham. The Court, in a unanimous opinion, held that the Senate had the power to issue this warrant. I will quote from this case at page 616:

Third. The real question is not whether the Senate had power to issue the warrant of arrest, but whether it could do so under the circumstances disclosed by the record. The decision of the court of appeals is that, as a necessary prerequisite to the issue of a warrant of arrest, a subpoena first should have been issued, served, and disobeyed. And undoubtedly the courts recognize this as the practice generally to be followed. But undoubtedly also, a court has power in the exercise of a sound discretion to issue a warrant of arrest without a previous subpoena when there is good reason to believe that otherwise the witness will not be forthcoming.

In other words, Mr. President, these two decisions clearly hold that the Senate has the power to compel a witness to appear before it or before one of its committees and to give testimony and that it may do this by subpoena or, if for some reason a subpoena will prove ineffective, it may do so by the issuance of a warrant of arrest. The Senate has done it before and the Supreme Court has at least twice unequivocally upheld the action.

In that particular case the committee has carried over into the next Congress.

In that case practically the same issue was raised as is raised here, and the Court, by unanimous decision, held that the Senate did have the power to require the appearance of the witness before the committee which was conducting the investigation in that particular case, even though the committee was continuing over into another Congress.

The section which has been read by the distinguished majority leader, section 194 of the rules contained in the Reorganization Act, refers only to cases in which service has been secured. In such cases, section 194 provides that if a witness refuses to answer after he has been brought before a committee, if the Senate is in session a resolution may be presented to the Senate providing for instructions to the district attorney to prosecute him for contempt. But if the Senate is not in session, the resolution shall be presented to the Vice President, and he shall have the authority to certify the matter to the appropriate district attorney.

But that is just the point here. Service has not and cannot be effected be-

cause the witnesses are in hiding. Subpoenas will not work and so we have to try something more effective.

In the present case the particular witnesses whose names have been listed are quite well known. Subpoenas have been issued, and a long and diligent search has been made. Every effort has been made to serve subpoenas on those witnesses. We have even gone so far as to have inquiry made among the neighbors, and in some cases of their wives, as to their whereabouts. Unquestionably they have purposely avoided—and that is the allegation in the committee's report—service of a subpoena issued by a committee of the United States Senate.

Two of the witnesses were last heard of in Mexico, but they will be coming back. In this case the hope would be that the Sergeant at Arms would, in conformity with the resolution, call upon the Federal Bureau of Investigation and other Federal investigative agencies, such as the border patrol, to keep a lookout for them, and bring them before the committee to testify when they are located.

It is very difficult for the committee to do this kind of work when witnesses secrete themselves so that a subpoena cannot be served upon them, even after the most diligent effort.

The work of this committee is about to come to an end. We are to make our report in the latter part of February. In order to get the necessary information and make a report to the Senate, we feel that it is highly important to have the testimony of these particular witnesses, who are key characters in some of the most important investigations which we are carrying on.

Mr. President, there are certain powers inherent in this body, and reiterated in the two cases to which I have referred. There is the general power to prevent anyone from ignoring the orders of the Senate. There is the power to compel witnesses to come before a committee to give testimony. To defer this matter and engage in extended hearings before the Judiciary Committee or some other committee, when the issue is quite clear, would give a great deal of encouragement to other persons upon whom we are trying to serve subpoenas to secrete themselves and evade the service of process. It would diminish the importance of the process of the committee and suggest that all a recalcitrant witness need do is to hide from our process servers until February.

I think it is fundamental that if the Senate has the power to investigate, as undoubtedly the Senate has, it first must have the power to bring witnesses before it. It is certainly not in keeping with the dignity of the Senate to allow witnesses, by hiding and avoiding the person trying to serve the subpoena to prevent carrying into effect the determination of the Senate to bring them before the Senate or a committee of the Senate for the purpose of giving testimony. If such a rule were to be enforced, it would be impossible in many instances for the Senate to make the proper kind of examination. This question has been studied very closely and thoroughly by the staff of the committee. The decisions of the

Supreme Court are cited in the report. I hope that the work of the committee will not be held up by any delay in acting upon this resolution.

Mr. LUCAS. Mr. President, I should like to make a brief reply to the argument of the Senator from Tennessee.

In the first place, it seems to me that the United States Senate should never forget that this is a special committee which was established to do certain things under the terms of a resolution which was adopted by the Senate. Whether, under the terms of the original resolution, the committee has the power to invoke this sort of procedure is a serious question in my mind. We should never grant to any special committee continuous powers to do a number of things which perhaps are not within the scope of the resolution itself. We definitely provided in that resolution that the committee itself should have the power to subpoena all witnesses it believed necessary and advisable to call before the committee to carry out the purposes of Senate Resolution 202.

If the men whom the committee has employed cannot find these witnesses, I do not know who can. I understand that the committee has some of the best sleuths who have ever been employed by any committee of the Senate, and who have done nothing throughout their lives except to try to track down someone for some committee or agency of the Government, whether it was Federal, city, or county.

Mr. President, I say that we had better hesitate and pause for the moment, at least, before we transfer that power to the Sergeant at Arms and let the Sergeant at Arms, who is an important officer of the Senate, and who is needed here, start on a wild-goose chase. He would have to go before some committee of the Senate and ask for more money in order to set up another group of sleuths to find these men, some of whom are in Mexico at the present time. We had better pause and let some committee look into the situation before we take the drastic step which is requested by the Senator from Tennessee and other members of the special committee.

I am not attempting to shield anyone named in the resolution. I do not know any of the men named. I do not care anything about the so-called crooks whom the Senator is now trying to run down. But so long as I am in the Senate—and that will not be too long—I am going to try to protect the integrity of the rules of the United States Senate. I am not going to permit a special committee to get away with such a thing as is suggested here if I can possibly help it, without a standing committee passing upon the question. The United States Senate ought not to do that.

The suggested procedure may be proper. It may be the right thing to do. But at least the Judiciary Committee should have an opportunity to look into the question. There are good lawyers on that committee, whose function it is to do the very thing which I am suggesting. I believe that that committee should have the opportunity to pass upon this request.

Mr. President, it seems to me incredible that a committee would come before the Senate and ask the Sergeant at Arms to set up another snooping committee, so to speak, and hunt for men whom they themselves cannot find. They have a sufficient number of investigators to do the job they are called upon to do. Let them come before the full committee and ask for more money. They can obtain the top men of the country if they pay them enough—and I think they are paying them plenty for the job they are doing. They can obtain more men. If those connected with the committee cannot find the witnesses who are sought, how are Joe Duke, the Sergeant at Arms of the Senate of the United States, and his assistants to find these crooks? Mr. President, I do not say that to disparage in any way my friend Joe Duke, because he comes from a section of the country where they know how to run down criminals. He has been ably taught by the "boss" of the Senate, my good friend, the Senator from Arizona [Mr. HAYDEN], who used to be a sheriff in Arizona, and who knows what it is all about. But to comply with the request would impose an additional burden upon the Sergeant at Arms of the Senate. He could not carry out the order himself, and his assistants in the Senate could not do it. He would have to employ a dozen more men to go forth and hunt these witnesses whom the subcommittee cannot find.

Mr. President, to me it is the most ridiculous thing I have heard of in a long, long time, and I hope that the Senate of the United States will at least give a proper standing committee the right to look into the matter.

Mr. KEFAUVER. Mr. President, I wish to be heard in response to the remarks made by the distinguished majority leader. I believe we of the committee feel that if we, who are charged with the responsibility of carrying on the investigation, let the principal witnesses, as these people are, defy the United States Senate, and put off the matter of getting them before the committee promptly, we are not doing our duty. The group of witnesses who have been hiding from the subpoenas of the committee and whose arrest is sought are among the most powerful and dangerous racketeers in the country. Our duty, as we see it, is to present the matter to the Senate, and to urge the Senate to help us secure the witnesses so we can carry on our investigation. That is the purpose of the resolution.

I do not think the point made by the majority leader is very well taken, that the distinguished Mr. Duke, the Sergeant at Arms, and his assistants would be required to do this work themselves. The resolution asks that they be authorized to call upon all the law-enforcement agencies of the United States Government to assist them in locating and apprehending these persons who are avoiding service. I wish to read that portion of the resolution to the Senate. The resolution states that for the purpose of executing the warrant issued in accordance with the resolution the Sergeant at Arms may by blanket order or orders

deputize the enforcement officers of the Federal Government to apprehend these individuals.

Of course, what would happen, Mr. President, is that the Federal Bureau of Investigation and the other law-enforcement agencies of the Federal Government would be asked to make inquiry in various parts of the country as to where these individuals are. There would be no delay in securing them and bringing them in.

Mr. President, it is not a matter of adding more sleuths. We already have an efficient staff, including highly trained investigators, but we cannot possibly duplicate the Nation-wide investigative network of the FBI, and it would be folly for the committee to try to do so.

I am sure some Senators will recognize certain of the witnesses whose names are on the list contained in the resolution. We are asking for this extraordinary procedure only after most diligent effort on the part of many, many of our people, and by United States marshals in the particular places where these men live. Anthony "Tony" Accardo, alias Joe Batters, has of course a long record as a leading racketeer and as a person in criminal activity in the Chicago area.

Murray Humphreys is well known, and we have been trying to find him for a long time. He is intimately involved in the racing wire service picture.

As to Rocco Fischetti and Charles Fischetti, their reputations are well known, and the importance of the testimony they would give is, of course, easily recognized.

Martin M. Hartman is in San Francisco. He is a stock salesman. He was selling stock in what was alleged to be a bogus copper company called the Mountain City Consolidated Copper Co. in Nevada, which involves a very important matter involving interstate crime.

John Patton comes from Chicago, and has been partner in important operations in Florida. He is also involved in a racing wire question. We have tried long to find him.

Elmer Remmer is well known in California, Morris Rosen in New York, and Joseph Sica in the State of California. The testimony of Sica is wanted, among other reasons, because it would relate in part to illicit narcotic transactions on a major scale.

Mr. President, the final argument of the distinguished majority leader was that since the investigating committee is a special or select committee the matter should be referred to some other committee before action is taken. Insofar as I have been able to find by reading the cases, whenever a select or special committee has presented a statement to the United States Senate that in order to carry out its direction and mandate from the Senate additional authority shall be given it, the Senate has very readily responded to the recommendation of the select committee.

I believe the committee which investigated the Teapot Dome matter, out of which McGrain against Daugherty arose, was a select committee. But in any event

one of the early precedents on the subject relates to John Brown's raid on Harpers Ferry.

In the Daugherty case the Supreme Court said about this incident at page 138:

In December 1859, the Senate, by resolution, appointed a committee to inquire into the facts concerning the invasion and seizure of the armory and arsenal at Harper's Ferry and to report facts and recommend legislation, the committee to have power to send for persons and papers.

That committee wanted to subpoena and bring before it a witness by the name of Thaddeus Hyatt. I continue to read:

In February 1860, a resolution was adopted directing the Sergeant at Arms to take into his custody the body of Thaddeus Hyatt, and to have the same forthwith before the bar of the Senate to answer as for a contempt of its authority * * *. In upholding the existence of the power, the Senate did not divide on sectional lines, and the vote was overwhelmingly in support of the asserted power.

Mr. President, I hope the Senate will back up the work our committee has been trying to do. It will be much more difficult for us to continue if the Senate is going to refuse to grant the relief asked for by this resolution. I do not think we need to refer to a committee for hearing and debate the question of whether gangsters and racketeers can play hide and seek with process servers of a committee of the United States Senate.

Mr. MAYBANK. I wonder whether there will be any further debate on the resolution relating to the Special Committee To Investigate Crime in Interstate Commerce.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois that the resolution reported by the Senator from Tennessee be referred to the Committee on the Judiciary [putting the question].

The "ayes" have it.

Mr. KEFAUVER. Mr. President, I demand a division.

The PRESIDING OFFICER. The Chair has already made the determination.

Mr. KEFAUVER. I do not request the yeas and nays, but I ask for a standing division.

The PRESIDING OFFICER. The determination has already been made.

Mr. MAYBANK. Mr. President, a point of order: I have been here a long time waiting to have us proceed with the rent-control joint resolution, and waiting for the Senator from Ohio [Mr. BRICKER] to have an opportunity to speak on that measure. I have yielded to him.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. KEFAUVER subsequently said: Mr. President, I move for a reconsideration of the vote taken earlier in the day by which the resolution from the Special Committee To Investigate Organized Crime was referred to the Committee on the Judiciary. I wish to give notice at this time that at the conclusion of the morning hour tomorrow I shall ask for a vote on the motion to reconsider.

The PRESIDING OFFICER. The motion will be entered.

CREDENTIALS

Mr. CHAPMAN. Mr. President, I send to the desk the credentials of my colleague, the junior Senator from Kentucky [Mr. CLEMENTS], elected a United States Senator from the State of Kentucky, for the term commencing January 3, 1951.

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). The credentials will be read and placed on file.

The credentials were read and placed on file, as follows:

COMMONWEALTH OF KENTUCKY,
DEPARTMENT OF STATE,
Frankfort.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1950 EARLE C. CLEMENTS was duly chosen by the qualified electors of the State of Kentucky a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1951.

Witness His Excellency our Governor, EARLE C. CLEMENTS, and our seal hereto affixed at Frankfort this 16th day of November in the year of our Lord 1950.

EARLE C. CLEMENTS,
Governor.

By the Governor:

GEORGE GLENN HATCHER,
Secretary of State.

Mr. McCARTHY. Mr. President, I send to the desk for filing the credentials of my distinguished colleague the senior Senator from Wisconsin [Mr. WILEY] for the term commencing January 3, 1951. I am extremely happy to be able to present the credentials at this time.

The PRESIDING OFFICER. The credentials will be read and placed on file.

The credentials were read and placed on file, as follows:

UNITED STATES OF AMERICA,
THE STATE OF WISCONSIN,
EXECUTIVE DEPARTMENT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1950, ALEXANDER WILEY was duly chosen by the qualified electors of the State of Wisconsin a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, commencing on the 3d day of January 1951.

In testimony whereof I have hereunto set my hand and caused the great seal of the State of Wisconsin to be affixed. Done at the capitol in the city of Madison this 28th day of November in the year of our Lord 1950.

OSCAR RENNEBOHM,
Governor.

By the Governor:

[SEAL] FRED L. ZIMMERMAN,
Secretary of State.

Mr. DWORSHAK. Mr. President, I send to the desk the credentials of HERMAN WELKER, elected a United States Senator from the State of Idaho for the term commencing January 3, 1951.

The PRESIDING OFFICER. The credentials will be read and placed on file.

The credentials were read and placed on file, as follows:

STATE OF IDAHO,
DEPARTMENT OF STATE.

CERTIFICATE OF ELECTION

To All to Whom These Presents Shall Come,
Greeting:

Whereas the State Board of Canvassers of the State of Idaho, in obedience to the provisions of section 34-1304 of the Idaho Code, has found, certified, and declared that a canvass of the abstract of votes cast at the general election held in the State of Idaho on the 7th day of November 1950 shows that HERMAN WELKER, of Payette, has received the greatest number of legal votes cast for the office of United States Senator (6-year term).

Now, therefore, I, J. D. Cy Price, Secretary of State of the State of Idaho, do hereby declare and certify that said HERMAN WELKER, of Payette, has been duly and regularly elected to the office of United States Senator (6-year term) for the term beginning January 1, 1951, and is entitled to all the rights, honors, and privileges pertaining thereto.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State. Done at Boise City, the capital of Idaho, this 27th day of November, in the year of our Lord 1950 and of the independence of the United States of America the one hundred and seventy-five.

[SEAL] J. D. CY PRICE,
Secretary of State.

COMMITTEE SERVICE

Mr. WHERRY. Mr. President, I send to the desk an order providing for the assignment to committees of the distinguished junior Senator from Kansas [Mr. CARLSON] and the distinguished junior Senator from California [Mr. NIXON], and request that it be read.

The order was read, as follows:

Ordered, That Mr. CARLSON be, and he is hereby, assigned to service on the Committee on Post Office and Civil Service.

That Mr. NIXON be, and he is hereby, assigned to service on the Committee on the District of Columbia.

Mr. WHERRY. Mr. President, these assignments are to be effective only until the 2d day of January 1951, when this Congress will expire. I ask that the order be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the order submitted by the Senator from Nebraska.

The order was agreed to.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the joint resolution (S. J. Res. 207) to continue for a temporary period certain provisions of the Housing and Rent Act of 1947, as amended.

Mr. BRICKER. Mr. President, the measure before the Senate at this time involves an extension of the rent-control law, the termination date only being proposed to be changed from the last day of December of this year until February 28, 1951. The effect of such an extension would be to continue Federal rent control over about 1,000 or 1,200 communities, depending upon the number that decontrol between now and the end of the year, although they have not expressly, by resolution or by referendum in the local communities, asked for continuing Federal control.

As we recall, about 6 months ago it was the understanding among the Members of the Senate, on the part of both the opponents and the proponents of rent-control extension at that time, that that would be the last extension of rent control. As a result, each community

in the United States which then was under rent control was given the privilege, by way of resolution or by proper legal enactment on the part of the governing body of the local community or by referendum among the citizens of the community, of asking for a continuance of rent control, federally administered, for 6 months beyond December 31, 1950.

The pending joint resolution would not change any of the provisions of that law, except it would continue that Federal rent-control imposition for another 2 months, which would give the communities the right to ask for another 2 months of continuing Federal rent control, and we would also impose Federal rent control upon the communities which did not ask for it. In other words, during the lapse which would occur, the millions of home owners and rental property owners would not get the benefit of the market value of their property until some future date.

The basis upon which Mr. Tighe Woods and Mr. Stuart Symington have asked for such an extension is that there has been a change of conditions as a result of the Korean war episode, that a continuation of rent control is necessary in order not to cause a maladjustment, and that we should have a period of an additional 2 months in order to avoid the doing of harm and to provide an opportunity for the consideration of a new rent-control bill.

The fact is that if the law remains as it is, there will still be a period of an additional 6 months in which the Congress may write a new law and in which the communities which want to have a continuance of rent control during that period will be able to have Federal administration of local rent control. So there is not a great deal of effect upon our economy generally because of the lack of the power on the part of the local communities to ask the Federal Government to do for them that which they should do for themselves.

About the only change which has come about as a result of the Korean war episode, so far as rent control is concerned, is, possibly, a shift of population, first a shift of population to the war-production centers. When that occurs, there may be some need for further consideration of Federal rent control. That will be determined by the facts, which we do not know today, and which we cannot possibly anticipate. The second effect will be the taking of young men into camps and military establishments. Already much power has been given to the Army and to the Navy and to the Air Force to construct homes in the encampment areas. Other housing will have to be constructed, of course; and in addition to construction by the Government, there will have to be construction in those communities by private capital. It may be that when that is done, there will be need for Federal control of rents in the war-encampment areas.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. TAFT. The extension here proposed will not affect those areas, will it?

Mr. BRICKER. Not in any way, shape, or form.

Mr. TAFT. Because the committee itself has said:

Nor would such an extension of the automatic decontrol date authorize the Housing Expediter to bring under Federal rent control any area already or hereafter removed from the scope of Federal rent control.

Mr. BRICKER. My colleague is exactly correct. That problem cannot be faced at all under this measure. It is a new problem which we can face, and should face, when we have all the facts before us and know all of them.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. MAYBANK. I heartily concur with the distinguished Senators from Ohio in saying that those problems cannot be faced now; but in the committee we voted for the 60-day extension in order that other problems developing around the camps, such as the problem in Missouri, at Camp Leonard Wood, may be handled.

Mr. BRICKER. But this measure gives no authority, I think the Senator will agree, to reimpose rent control in any community where it has ceased.

Mr. MAYBANK. That is done only by the community itself.

Mr. BRICKER. And it must be done before the end of this year.

Mr. MAYBANK. This measure would provide an extension of 2 months in which it might be done.

Mr. BRICKER. Yes; but the communities already have had 6 months in which to ask for a continuance of rent control, if they desire it continued in their areas.

Mr. MAYBANK. That is entirely correct. However, the situations which have developed in the past few months, with the concentration of troops in camps, have caused a desire for further rent control. I am sure the Senator will agree to that statement.

I was one of the Senators who said, last year, that I hoped we would never have to consider another rent-control bill. However, I must say, and I think my good friend who worked on the committee so hard with me will agree, that in a small number of instances there are demands for a continuation of rent control.

Mr. BRICKER. The testimony before the committee by Mr. Tighe Woods, who presented to the committee the only direct testimony received on this measure, was that more than 800 local communities have voted to continue rent control.

Mr. MAYBANK. That is correct. However, during the past few weeks others have taken advantage of that opportunity.

I think it is regrettable that other communities have not taken advantage of the opportunity. Nevertheless, members of the Armed Forces and considerable numbers of other persons have moved into certain areas, whereas several months ago we did not believe they would be called upon to do so.

Mr. BRICKER. But the areas into which the soldiers and other members

of the Armed Forces are moving are not now generally under rent control. If they are, they can decide between now and 6 months from now whether they wish to have rent control continued for both rental property and home owners.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. McCARTHY. The Senator will recall that a number of years ago we passed a housing bill designed to make credit easily obtainable by young men desiring to acquire or build homes. The Senator will also recall that within the past 2 months the President has nullified the effect of the easy-credit bill by raising the credit terms and making it impossible for a young man either to build or to buy a home unless he has much more cash. The Senator will further recall, I am sure, as I do, that since that occurred, the number of homes which have been begun has decreased very drastically.

I am sure the Senator is aware of the fact that at the time when we were drafting that bill, called the Housing Act of 1948, we had extended conferences with the sections of labor having to do with construction—the American Federation of Labor building trades unions. The Senator will recall that at that time we had much difficulty because of the shortage of labor, and that the building trades unions went along with us 100 percent. They said, in effect, "If you will pass a law making it easy for young men to get credit, so that we can be sure that the new men we add to our unions will have work, we will go along 100 percent in increasing our apprentices."

The Senator will further recall that in the last month or two, vast numbers of men in the building trades have been forced out of work because of this arbitrary action on the part of the President.

I wonder whether the Senator will agree with me that the President has, in effect, by nullifying our Housing Act giving easy credit to those young men, on his own initiative rationed building materials to those who have money, and taken building materials away from young men with credit; and by that action he is creating a tremendous housing shortage which will make rent controls necessary in the next 6 or 7 months.

Mr. BRICKER. Possibly that is true, if the shortage should continue. But at the present time the number of units which will be cut from the building program this year, as well as those cut from it last year, is approximately 400,000—perhaps a little more or perhaps a little less.

There has also been a softening of the credit conditions to the GI's and the veterans, and I think a greater ratio of the money that is borrowed for building purposes will go into the GI's building programs, possibly, than has heretofore gone into the veterans' building program.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. MAYBANK. I desire to accommodate some of our good friends on both sides of the aisle in connection with this

debate. Many of the Senators have a good deal of other work to attend to, so I am going to request at this time, that when the joint resolution is ready for a vote the yeas-and-nays be ordered, so that Senators on both sides of the aisle who have important business engagements may be able to keep them. I ask that the yeas and nays be ordered.

The PRESIDING OFFICER. Is the demand for the yeas-and-nays sufficiently seconded?

The yeas and nays were ordered.

Mr. MAYBANK. I thank the Senator from Ohio for yielding.

Mr. McCARTHY. Mr. President, will the Senator from Ohio yield?

Mr. BRICKER. I yield.

Mr. McCARTHY. I wonder whether the Senator will agree with me that it would be an excellent idea for his committee to conduct hearings for the purpose of ascertaining the effect the President's arbitrary order has had on the building program, and to determine the extent to which it is cutting down production, the extent to which it is making it impossible for young men to build or to buy homes, and the extent to which the President's order may make rent controls necessary for another 6 months or for another year, by reason of the decrease in the number of units being built.

Mr. BRICKER. I think the Senator's suggestion is an excellent one. Let me say to him that the housing bill of 1948, to which I referred a moment ago, was very liberal, so that last year there were built about 1,300,000 units.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. BRICKER. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to ask the Senator from Ohio or the Senator from South Carolina whether it is expected that we shall vote on this bill tonight, or whether it will in all probability go over until tomorrow.

Mr. BRICKER. I shall not take very much more time—probably not over 15 minutes.

Mr. MAYBANK. Mr. President, several Senators are scheduled to speak, two or three from the Republican side of the aisle. I understood that the distinguished senior Senator from Ohio [Mr. TAFT] and the Senator from Washington [Mr. CAIN] desired to be heard. What I proposed to do was to request unanimous consent that we vote at 3 o'clock tomorrow. With the speeches which have been indicated as yet to come, I do not think we could vote tonight. The Senator from Washington [Mr. CAIN] suggested that he would speak but about half an hour. It may require longer than that. So I propose a unanimous-consent agreement to vote at 3 o'clock tomorrow. I understand the Senator from Arkansas [Mr. McCLELLAN] wishes to speak, and also his colleague from the State of Arkansas [Mr. FULBRIGHT].

Mr. McCLELLAN. I may say to the able Senator that if I speak, it will only be for about 2 or 3 minutes.

Mr. MAYBANK. There may be other Senators who will desire to speak for

2 or 3 minutes. The Senator from Washington [Mr. CAIN] will no doubt speak for an hour. I would suggest, if agreeable, that we enter into a unanimous-consent agreement to vote at 3 o'clock tomorrow.

Mr. TAFT. Mr. President, it seems to me that would delay the matter. Why does the Senator not simply suggest an agreement that we shall not vote tonight, but that we shall proceed until we come to the end of the debate, and then vote on it tomorrow?

Mr. MAYBANK. I am unable to speak for the majority leader, of course.

Mr. TAFT. I think that would be quicker.

Mr. LUCAS. Yes, Mr. President, I think the Senator from Ohio is correct in his statement, and I should like to follow the procedure he suggests and go as far as we can tonight. In the meantime Senators will not have to worry about voting on the measure tonight.

Mr. SALTONSTALL. Then, do I correctly understand from the Senator from South Carolina that he will not press for a vote tonight, and that Senators may safely attend to other matters?

Mr. MAYBANK. That is what the majority leader has suggested, and I shall abide by it.

Mr. SALTONSTALL. I thank the Senator.

Mr. BRICKER. Mr. President, the whole problem of rental units around Army encampments and in the defense production centers is an entirely new one, separate and apart from the rent-control law, an extension of which we are now considering. It will mean a maladjustment, of course, of rental conditions in many communities, because any man who goes into a new community, whether a war-production center or a camp, will leave a vacancy in the community from which he goes; and that must be taken into consideration. The smaller communities which have not asked for Federal control no doubt have failed to ask because they did not want Federal controls continued. That question was not very thoroughly probed. But the Expediter came before our committee to give us the figures on the number of homes which are now under rent control, and the effect that this measure would have upon the total number.

He testified that there are today 7,500,000 rental housing units remaining under Federal rent control, 3,430,000 of which will remain under rent control through June 30, 1951, by virtue of the action of local governing bodies to date. This leaves, so he said, about 4,000,000 units from which Federal rent control will be removed on December 31, 1950. Of course, he did not make an estimate as to the number of communities that might ask for a continuance in the interim period of 30 days, neither did he take into consideration nor bring to the attention of the committee the fact that 2,000,000 units in the controlled areas have been withdrawn because people would not continue them under rental conditions such as those imposed by the Expediter.

We are facing at the present time a more serious situation than we had when

this law was extended the last time; and it was unjustified at that time. We are today facing a boom on top of a boom—a war boom upon a peacetime inflation—and no one knows the extent to which the war boom will go. No one knows the amount of inflation which will result from the spending of billions upon multiplied billions of dollars by the Federal Government for the war program. No one knows the effect it will have upon employment. No one knows yet the effect it will have upon the personal income of labor throughout the country and of other citizens generally. But the figures are very significant when we stop to consider the increases in living costs and in income which have already taken place in America.

An index of the cost of living of 1950, prepared by a company in St. Louis, Mo., was introduced; and I believe the figures set forth to be authentic. The base period was 1921 to 1938, which was taken as 100. Let us see what has happened in the meantime to wages. From that period to the present time, wages have increased 239 percent. Let us keep those figures in mind—239 percent. Household furnishings have gone up 181 percent. Food—and in the case of the average family the item of food cost is three times the rental cost—has gone up 172 percent. Clothing has gone up 166 percent, and rents since 1930 have gone up only 96 percent. That is about one-third of what the total increase of wages has been.

At the present time we are in a serious situation internationally. The United States is now in desperate circumstances, and we dare not destroy the very basic, sound foundation of our population and civilization. The rent-control law, for too long a period, has been placed upon the people who have tried to provide their own social security against the day of their need. Too long have they had to carry too much of the reconstruction cost in this country; and they have not had an adequate return upon the property they have held for rent. That is why more than 2,000,000 units have gone off the rental market within the past 2 years. The owners cannot pay the cost of operation of their property. They cannot pay the maintenance and upkeep from the rents they receive, based upon a 1941 rental base.

What has happened in the meantime? According to Mr. Woods, the Expediter—and he said it, as if in a spirit of generosity—he has given the property owners an over-all 15 percent increase in rents on their property—15 percent, when other costs have gone up as much as from 100 to 250 percent. The owners of property, who have saved money, who have lived, according to him, in keeping with the old ideas which have inspired us for a century and a half, have been pressed down to the earth. They cannot live upon their incomes. They have either had to sell their property, go to work again, become a burden upon their relatives, or do as many officials around Washington want them to do—become wards of the Federal Government, so they will be able to give them a subsidy of some kind of other.

There are but a few other phases of this question which I want to bring to the attention of the Senate in order to show the kind of testimony we had before our committee. I have read the reports.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. BRICKER. I yield.

Mr. CAIN. It seems to me that the distinguished Senator from Ohio is maintaining that it is high time and a proper time to get rid of an office, at the earliest possible minute, which in the course of approximately 10 years has reduced by approximately 2,000,000 units the rental accommodations in the United States. Is that a fair assumption?

Mr. BRICKER. It is a fair assumption. I shall read those figures into the RECORD presently, for the benefit of the Senate.

Mr. CAIN. I shall appreciate that.

Mr. BRICKER. Mr. Woods came before our committee. He is the Expediter. I do not hesitate to say—because I told him this in the committee—that I think the Expediter has done a poor job. I think he has done an immoral job; at times, an illegal job, so far as his administration is concerned. He is one of the poorer of the bureaucrats around Washington, in my judgment. He came before us, and this is his testimony, and it is in the report:

In Weirton, W. Va., an official of the Weirton Steel Co. reported that the company has lost and is still losing employees due to the lack of adequate housing.

I asked him for the name of the man, and I got it. We called that man a little while ago, and he told us very definitely that the statement was made a year ago, and, yet, Mr. Woods said that this gentleman said, "They are still losing employees," as if it had been that day, or very close to the day he testified. The statement was made a year ago. At that time, according to the statement, they were losing employees at the Weirton Steel Co. plant. But I do not know what rent control had to do with it, or the problem we have at the present time, because they had rent control there at that time, and they still have it. I think it is one of the communities which have asked for its extension. Whenever an employee leaves, he causes a vacancy. Someone else must come in and take over. But this same man told us over the telephone a short time ago that relatively few complaints had come in lately. He stated that there is still a shortage of low-cost housing. We shall never get to the bottom of the housing question according to some groups of people, who want rents constantly lower and lower. Many people feel that the Federal Government ought to provide them with rental units, as well as keeping down the rentals of the units.

A moment ago the distinguished Senator from Washington [Mr. CAIN] called my attention to a fact which is very pertinent at this time, as it was pertinent 6 months ago when I pointed it out to the Senate. The fact is that the total population of the United States in 1940 was 131,669,275. In 1950 the total population is 150,697,361.

In 1940 the total number of dwellings, according to the Census Bureau, was 37,325,470. In 1950 the total number of dwellings is 46,151,107. The number of dwellings increased; so that at the present time the housing situation in America is much better, on the basis of population and number of dwelling units available, than it was in 1940.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BRICKER. Yes.

Mr. TAFT. Does the Senator know how many such units are classified as rental units?

Mr. BRICKER. The total number of dwelling units under control as of March 1949, was 14,250,000. The number of units which the Office of the Housing Expediter states have been decontrolled from April 1, 1949, to November 3, 1950, is 6,439,124. From the total figure should also be subtracted an estimated 2,000,000 units which have been withdrawn from the rental market, for owner occupancy, during the period of rent control, as well as approximately 20,000 units which are estimated to have been withdrawn in the past 2 years by reason of demolition, fire, storm, and so forth.

Therefore it is estimated that the total number of units still under rent control as of November 3, 1950, is 5,831,124.

Mr. TAFT. Are the 5,831,000 units now under rent control?

Mr. BRICKER. They were still under rent control as of November 3, 1950.

Mr. TAFT. I was interested in the total number of housing units which are being rented today, controlled and not controlled.

Mr. BRICKER. I do not have the figure available. As I remember, it was approximately 18,000,000 or 19,000,000. That is only my recollection of 6 months ago.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. CAIN. As I recall, approximately 16,000,000 units were under rent control at the peak of control in 1946. My memory tells me that there was approximately a total of only 18,000,000 rental units available in the country.

Mr. BRICKER. That was the figure I had in mind. In other words, Mr. President, the housing condition is in better condition today than it was in 1940. The percentage of urban units in good condition or in need of only minor repairs in 1940 was 88.6 percent. In 1947 it was 93.2 percent. The percentage of all ordinary dwelling units in good condition or in need of only minor repairs was 81.8 percent in 1940. In 1947 it was 90.1 percent. These figures are taken from Current Population Report—Housing, Series P-70, No. 1, as of April 1947, United States Bureau of Census, table 4, page 11. They are the latest published census data on the state of housing repair.

In the third place, the total housing supply in the United States has increased at a rate greater than the population has increased since 1940. The population increase from 1940 to 1950 was 14.4 percent. The increase in number of dwelling units was 23.6 percent. These

figures also come from the Census Bureau.

The large apartment units, about which we hear so much, particularly with reference to the greed which the landlords have exhibited by imposing on people who live in apartments—and we hear much of that in Washington, New York, and Chicago, especially in New York, where they have local control—contain only slightly more than one-fifth of the rental housing available in the United States. The percentage of all rental housing in single-family houses is 47.6 percent. The percentage of all rental housing in structures which contain one, two, three, or four dwelling units is 78.6 percent. Therefore, almost one-half of the total number of rental units in the United States are single-family houses. These figures are taken from Sixteenth Census of the United States—Housing, volume II, part I, Washington, 1943, table 4A, page 11. They are the latest data available.

The Senator from Washington referred to this point a moment ago. The effect of rent control and its administration has been what it has been in every country where it has been imposed. The effect was the same as in France and in England. The effect was to decrease the number of available rental units. The total number of tenant-occupied dwelling units in the United States in 1940 was 19,659,000. The total number of tenant-occupied dwelling units in the United States as of April 1947, which are the latest census figures, is 17,669,000. Therefore, in total supply of rental housing a loss has occurred of 1,990,000 units. These are the latest figures available.

The same principle is working in the United States. When the Government takes control of property of its citizens and forces them to operate it at less than its economic value, rental units are not built or many of those already constructed are not continued under rental conditions. As a result of the rent-control law we have had a decrease in the number of rental units available. At the same time the number of dwelling units in the United States has been increased far out of proportion to the increase in population. The result has been a commendable one, of course, but that was not the purpose of the law. Neither was the result due to rent control. We have the largest number of home owners we have ever had in the history of the United States. Nearly 50 percent of all dwelling units are owner occupied. Mr. President, that is a most gratifying situation, and I hope the number of home owners will increase, because it means that we shall have a stable population. Home owners do not take part in revolutions. Home owners are not Communists. Home owners are not against their Government. Home owners are not in favor of lavish and unconscionable expenditure of public funds, because their property stands out and can be taxed. There is no way they can get away from it. I am pleading for those people in America who strengthen our society, who try to provide their own social security, and who are trying to keep out of the clutches of both the

Federal and State governments, and to avoid becoming the wards of either.

This is no time to continue the rent control law. Let us face it in the next Congress as a real issue on the basis of changing conditions. Let us take care of the situation around war plants, Army camps, and such concentrated areas, but let the other problem solve itself at the local level, where it should have been taken care of at all times.

OUR BLIND FOREIGN POLICY, OUR TOTAL LACK OF PREPAREDNESS, AND THE DESPERATE FUTURE

Mr. MALONE. Mr. President, considerable surprise is being occasioned and expressed at the helplessness which is being shown by the administration in the face of disaster, and at the total absence of an effective foreign policy.

Mr. President, the only surprise that should be occasioned is that anyone should be surprised.

GENERAL MAC ARTHUR PREVENTED FROM ATTACKING VITAL BASES

We are faced with a situation in which General MacArthur is prevented from attacking the bases of operation of our enemies. Mr. Acheson and his satellites blame General MacArthur's intelligence service, totally ignoring their own pitiful intelligence effort leading to the so-called police action in Korea.

AMPLE WARNING—UN CANNOT DIRECT THE FRONT LINE

Mr. President, there was plenty of information and warning from many sources. Only the blind and stubborn could refuse to see and understand the danger.

Mr. President, our field armed services can be so handicapped that even MacArthur may lose a war. An effective war cannot be fought from the leather cushions in the New York United Nations. In that connection, Mr. President, I ask unanimous consent to insert in the RECORD at this point and as part of my remarks a compilation of excerpts of articles by Constantine Brown from December 18, 1949, to November 30, 1950.

There being no objection the compilation was ordered to be printed in the RECORD, as follows:

December 18, 1949: "The world crisis * * * is expected to enter its final phase with the coming of the new year. The Russians have nearly completed the circle which they have so skillfully been building around us since VJ-day." Confirmed June 25, 1950.

January 23, 1950: "It is believed * * * they will concentrate * * * in South Korea, Indochina, Burma and eventually the Malay Peninsula."

February 5: "The United States is in a more critical situation than ever before in its history."

February 24: "We are in a weaker position with respect to Russia today than we were with respect to Japan 9 years ago."

April 30: "Russia * * * has given indications that she is tiring of the cold war and is preparing to move into action."

May 9: "More than 2,000 Soviet officers are engaged * * * in planning coming events in Asia which is expected to become the principal theater of a shooting war this summer."

June 4: "Whatever explosion may occur in the near future will come on the Asiatic mainland."

June 6: "The start of the * * * Communist invasion * * * is set for the second half of this month." Confirmed June 25.

September 1: "The middle of September will see Russian puppet Ho Chi Minh's Communist force launch an offensive against the French troops in Indochina." Confirmed September 19.

September 11: "Chinese forces * * * on the Korean border have moved in and now are fighting under the North Korean banner."

October 4: "Chinese Communist troops are definitely capable of going into action on an hour's notice."

November 7: "Our forces in Korea are so entangled by advancing Chinese Communists that only a heavy bombardment * * * between Mukden and the Yalu River can disentangle them."

November 7: "Behind the 300,000 Chinese troops on the Yalu River and in North Korea there are at least as many more troops available for action."

November 11: "A major attack by the Chinese Communist armies in North Korea is expected in the next 10 days. * * * Last week's attack * * * is considered a reconnaissance in force." Confirmed November 28.

November 28: "General MacArthur is reported to have asked the United Nations permission to send B-29 and B-36 planes to destroy the lines of communication * * * at Mukden and Harbin."

November 30: "Use of the atomic bomb and Chinese Nationalist troops against the Chinese Communist hordes is now being discussed * * * in secret high-level discussions in the last 48 hours. * * * We must face the stark fact that we are at war with Communist China, and by extension, with the U. S. S. R."

TAXPAYERS OF AMERICA ARMED RUSSIA-CHINESE COMMUNISTS

Mr. MALONE. Mr. President, in March of 1948, in March 1949, and again in March of this year, 1950, the junior Senator from Nevada set forth, in extended debates, that the taxpayers of America were being forced to pay for arming Russia and her satellite nations for world war III, through the Marshall plan.

In 1948 several trade treaties between the proposed Marshall-plan countries and Russia and her satellites, the eastern European countries, were inserted in the RECORD. That was in March of 1948 at the inception of the Marshall plan.

In March 1949, on the occasion of its extension, a list of 88 such treaties were inserted in the RECORD. In January of this year a list of 96 such treaties, in good standing, between the Marshall-plan countries, Russia, and the satellite countries of eastern Europe were inserted in the RECORD, showing that at that time material of almost every imaginable nature was being furnished to Russia, including ball bearings, tool steel, tools, electrical equipment, and many other materials.

At that time the British, through Hong Kong, were continually furnishing to Korean and Chinese Communists materials of war.

I digress at this time to say that any material usable to prepare for war—even shirt buttons—is a war material. Such materials are needed to fight a war.

GASOLINE, RUBBER TO COMMUNISTS

These shipments continued, and are being made even at the present time. I invite attention to the fact that in July

of this year 650,000 gallons of gasoline were shipped to North China by the British through Hong Kong. Nine thousand tons of rubber were shipped from Malaya, largely through Hong Kong.

RUSSIA BIDDING AGAINST THE UNITED STATES

In November 1948, the junior Senator from Nevada was in Singapore. Already at that time tin and rubber were being shipped to Russia. Russia was bidding against the United States for strategic materials. That situation has continued until the present time. That is one of the reasons for the very high prices which the United States must pay for rubber and tin.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. WHERRY. I thank the distinguished Senator for the observations he is making. The distinguished Senator from California [Mr. KNOWLAND] made some observations with reference to exports from the satellite countries and from countries which are the recipients of ECA aid, of materials which are exported directly, and materials which are fabricated in the interchange. Such materials are now being used in Korea against our boys.

I invite the attention of the distinguished Senator from Nevada to the fact that those of us who introduced the resolution to prohibit the exportation to the recipient countries were voted down by a very narrow margin in the last session of the Congress. But it behooves the Eighty-second Congress to reexamine the record in the light of these shipments. From now on those who are the beneficiaries and recipients of the money of the taxpayers of this country should not be permitted to continue to ship such materials to the satellite countries. They are fabricated by the enemy, and are now destroying our boys.

I thank the Senator for bringing this subject to the attention of the Senate once again. I admonish the membership of the Senate that due consideration should be given to the observations of the distinguished Senator from Nevada when he talks about the shipment of scarce materials into various countries which are using them for the benefit of the satellites. The goods are falling into the hands of those who are using them against our men. The goods are not being used for the purposes for which they were originally intended.

MALONE-WHERRY-KEM AMENDMENT

Mr. MALONE. Mr. President, I join with the distinguished Senator from Nebraska in what he says. I joined in support of the amendment to the ECA Act prohibiting such shipments which was voted down. That amendment would have retarded or prevented such shipments. I join with the distinguished Senator from California [Mr. KNOWLAND] in what he said today.

AMERICAN TAXPAYERS FINANCED DESTRUCTION OF OUR FLEET

The junior Senator from Nevada has previously stated on this floor that the airplanes which destroyed our fleet at

Pearl Harbor were largely constructed from materials which were sent from this country to Japan prior to World War II, and were fueled by petroleum sent out through the Golden Gate in plain sight of everyone, with all the veterans' organizations in the country screaming to high heaven about it in 1938 and 1939. Nothing was done about it. The same thing is being done now. It seems that some time we should learn.

JULY HONG KONG SHIPMENTS TO COMMUNISTS

Mr. President, at this time I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a list of Communist purchases in Hong Kong in July. The statement gives approximate figures for Communist purchases in Hong Kong during the month of July.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMUNIST PURCHASES IN HONG KONG AND ELSEWHERE

Communist buying agents are out to grab as much gasoline as possible before the local market is completely denied them. The total amount smuggled into Communist China is about 40 to 50 tons a day. The smuggling routes are through Castle Peak and Shangkai in new territories, although some junk owners were last week fined by police magistrates for smuggling petroleum products from Hong Kong.

The Red authorities in Shumchun, across the British border, permit their purchasing agents of oil to pay Hong Kong currency for the goods, as smugglers do not accept Communist paper money known as Jen Min Piao. As a result, the search for Hong Kong bank notes by Red customs authorities at Shumchun has been less strict for the past 2 weeks.

Communist buyers are also purchasing a good quantity of rubber. From mid-July to mid-August they bought about 6,000 tons of raw rubber from Malaya largely through Hong Kong. From January to June this year, the total imports of rubber from Malaya direct to Communist China amounted to 34,662 tons. In July direct shipments to Russia were 9,000 tons.

There is no embargo on rubber from Malaya to Communist China and the U. S. S. R., but consignments of this commodity from Hong Kong are subject to license.

COMMUNIST PURCHASES IN HONG KONG IN JULY

The following chart gives the approximate figures of Communist purchases in Hong Kong during the month of July:

	Value in Hong Kong currency
Purchases shipped to North China:	
Gasoline, 254,545 gallons.....	387, 925
Cotton, 30,934 piculs.....	7, 697, 508
Gunny bags, 240,000 units.....	632, 500
Lubrication oil, 120 drums.....	456, 634
Newsprint, 20,600 reams.....	411, 500
Purchases shipped to Central China:	
Gasoline, 173,277 gallons.....	350, 661
Cotton, 2,442 piculs.....	516, 272
Petroleum, 50,932 gallons.....	78, 400
Gunny bags, 73,200 units.....	116, 600
Lubrication oil, 528 tons.....	102, 972
Crude oil, 1,310 tons.....	128, 034
Purchases shipped to South China:	
Gasoline, 231,954 gallons.....	548, 033
Cotton, 2,670 piculs.....	712, 000
Petroleum, 75,409 gallons.....	115, 710
Gunny bags, 1,500 units.....	11, 500
Lubrication oil, — tons.....	124, 296
Crude oil, 329 tons.....	100, 488
Newsprint, 450 reams.....	88, 016

Exports from Communist China to Hong Kong, Aug. 10 to 26

Commodity	Quantity	Exported from—
Tung oil.....drums.....	7, 946	Shanghai.
Tea-seed oil.....do.....	760	Canton.
Cassia.....units.....	27, 524	Wuchow Canton.
Tea.....cases.....	12, 224	Shanghai.
Ramie fibers.....do.....	12, 224	Foochow.
Small green beans.....bags.....	13, 171	Do.
Gallnuts.....units.....	22, 480	Do.
Raw silk.....do.....	984	Do.
Bean cake.....do.....	22, 514	Shanghai.
Soybeans.....do.....	6, 339	Tientsin.
Groundnuts.....bags.....	7, 576	Canton.
Rosin.....cases.....	130	Do.
Chinese medicine.....units.....	2, 632	Tientsin-Shanghai-Tsingtao.
Eggs.....cases.....	625	Tientsin.
Sesame seed.....bags.....	2, 380	Do.
Groundnut oil.....drums.....	482	Canton.
Bristles.....cases.....	516	Tsingtao.
Cotton cloth.....units.....	2, 347	Canton.
Cotton goods.....do.....	1, 137	Do.
Smoked garlic.....do.....	6, 137	Shanghai.
Hide.....do.....	95	Canton.

ARMING RUSSIA FOR THIRD WORLD WAR

Mr. MALONE. Mr. President, I agree with the distinguished Senator from Nebraska [Mr. WHERRY], who has joined me several times during the past several months in debates calling the attention of the Senate and of the public to the fact that through many of the trade treaties to which reference has been made Russia, Communist China, and Korea were armed for a third world war.

The reports from North Korea indicate that today many of our boys are surrounded. Rumor has it that at least one division, or one large group of our boys is practically wiped out.

DESTROYED BY OUR OWN EQUIPMENT

They are facing today a large amount of armor, guns, trucks, and much other material financed by the taxpayers of America and shipped to Russia and the iron curtain countries through the 16 Marshall-plan countries, or shipped to Communist China and Korea by Great Britain, largely through Hong Kong.

STATE DEPARTMENT AWARE OF SHIPMENTS TO COMMUNIST AREAS

This is not the same as if we were telling the State Department and the Department of Commerce about something they did not already know. They know it. They have known it since the advent of the Marshall plan. They have ignored it.

Mr. Dulles said at a luncheon meeting with the Republicans of the Senate that there was a large segment of the State Department and its advisers which thought a dose of communism would be good for Asia. There is no secret, Mr. President, as to at least some of the personnel of that segment of the State Department. The list contains Mr. Lattimore, the Secretary of State himself, and Mr. Hiss, as long as he was allowed to remain in the State Department. The latter was convicted of perjury, not of actually being a traitor, simply because the statute of limitations had run against such a charge. That segment was led by a clique including Hiss, Lattimore, and Acheson himself.

ACHESON PROMISED ENGLAND UNITED STATES WOULD FOLLOW THEM

Mr. President, in the opinion of the junior Senator from Nevada, in Septem-

ber of 1949, Mr. Acheson promised to follow England in the recognition of Communist China. The junior Senator from Nevada made that statement on the floor of the Senate in September 1949. At that time England warned us, in addition to the fact that it was going to recognize Communist China, that it was going to devalue its currency. Cripps denied that seven times, but England did devalue its currency just as soon as the members returned home from a conference at Washington, which was attended by delegates from Canada as well as by the British delegates.

England did recognize Communist China. There is no question in my mind but that Acheson expected to follow the recognition of Communist China by England, with recognition by this country. But there was so much objection on the Senate floor that that part of the matter was delayed.

ACHESON'S EUROPEAN CONFERENCE

It will be remembered that Mr. Acheson went to Europe and held a conference with representatives of certain European nations; that when he came back he appeared before a joint meeting of the Senate and the House and made a speech lasting about an hour. We had heard about 40 times before everything he said in that speech, except one little line, one little statement that was buried in the 1-hour speech. What was that line? Leading up to it fast, and getting away from it fast, he stated:

The United States will not use its veto to prevent the admission of Communist China to the United Nations.

ACHESON HELPS SECURE VOTES RECOGNIZING COMMUNIST CHINA

Since that time it has also been the opinion of the junior Senator from Nevada that Acheson has worked unflaggingly with England to obtain the necessary votes for admission of Communist China to the United Nations, with this Nation voting against it.

As soon as that is done there will be propaganda going up from the State Department that we must, of course, follow this by recognition to preserve our trade in China and Asia.

ADDITIONAL WARNING OF DISASTER

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, in line with the warning which has heretofore been given, an article by George Sokolsky, published in the Times-Herald of today, December 4.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THESE DAYS (By George Sokolsky)

The wise man, when he faces a crisis in his life, steps back and asks himself, "What have I done?" He reexamines his life; he seeks out his faults; but most of all, he probes for a way to cut his losses, to reverse his processes, and to straighten himself out.

Only fools blame the environment, the times, the breaks, luck. No one gets very far in life by sulking and scheming. Only an imbecile devotes himself to covering up mistakes by new lies, until his structure collapses on his head. A lie has a curious way of fighting to the surface.

What is true of individuals is true of nations. The crisis appears. At that mo-

ment, a nation either blindly and stiffneckedly pursues the course which produced the crisis, or its best minds devote themselves to a reexamination of conduct with a view to rechanneling its attitudes.

Since 1939, it is apparent, beyond doubt, that great errors have been made by the leaders of our Nation. These errors need to be reexamined, not to blame the living or the dead, but to safeguard the future. I shall here list only a few demonstrable errors:

1. Our association with Soviet Russia in the war without prior stipulations as to peace terms. It is suggested that there was no time to work out a full peace program. That is a cover-up. There was ample time to outline the general terms of our participation.

2. The lend-lease agreements gave not ample protections to the United States. Lend-lease to a large degree won the war for Soviet Russia. We contributed \$11,000,000,000 to the upbuilding of Soviet Russia's industrial and military strength. Peacetime equipment should not have been provided.

3. Tehran (November 1943) represents the abnegation of American control of American decisions in foreign affairs. At Tehran the United States gave Soviet Russia, then weak, a blank check in Europe and Asia.

4. Tehran belied the Cairo declaration made about 5 days earlier. Both the Cairo declaration and the report on the Tehran conference were issued simultaneously on December 1, 1943. But on that date, the Cairo declaration had already been nullified by Tehran. Roosevelt, Churchill and Stalin, on that date, established an historic lie. For that our blood is being shed in Korea.

5. Roosevelt should not have gone to Yalta, because he was a dying man. He lacked the physical or moral strength to meet the challenge of empire.

6. During the war years we were in association with Soviet Russia as an ally, but it was never necessary to accept Communists. It was the Charley-good-fellow attitude that made it possible for Americans and aliens who were serving as Russian agents to infiltrate our Government in high positions.

The existence of the Harold Ware cell was known to President Roosevelt in 1939. He never acted. In fact, such agencies as the FBI were forbidden to arrest known and effective Russian spies.

7. It was a grievous error to make it impossible for the atomic energy authorities to dismiss suspects without proof. A man had no rights to work there. It was a privilege, to be withdrawn at will.

Furthermore, Acheson was one of a body that agreed to write a report. He was only a writer in this respect. The report on the future of the use of atomic energy should have been a closely guarded secret, otherwise we lost bargaining power.

The so-called Acheson-Lillenthal report was issued and publicized under shameful circumstances. When Baruch assumed the job of negotiation at the United Nations, he was plagued by this report.

8. The abandonment and betrayal of Chiang Kai-shek by the State Department from 1944, when he was still fighting, to this moment, when he is still offering to fight, is one of the most grievous errors in all history.

It was designed originally by Soviet Russia and carried out by Russian agents in the State Department, among whom the most publicized is Alger Hiss. A vast and untruthful campaign to justify this treason to America was conducted by the State Department.

After Soviet Russia had won a complete victory in China, Great Britain accepted the role of appeaser which the American State Department imitated. That policy produced the Korean War.

INFORMED PUBLIC OPINION THROUGH THE NEWS

Mr. MALONE. In the article George Sokolsky enumerates the mistakes that were made by the administration over a long period of time.

Anyone familiar with Mr. Sokolsky's column over the last year and a half, as well as that written by Mr. Constantine Brown, including columns and news dispatches written by other well-known writers, know that they have for a long period of time continually warned of exactly what is happening today.

ATTLEE TO WARN PRESIDENT MUST NOT DEVIATE FROM ENGLAND'S PROGRAM

Mr. President, it is the opinion of the junior Senator from Nevada that Mr. Attlee has come here to warn the President tomorrow that he must not deviate from the policy outlined by England's Government to Acheson several months ago:

(a) We must not use the atom bomb to protect American boys from annihilation at the hands of Communist China and Russia. That if we do we will be standing alone; that England and France will not be with us. He purports to represent France also.

(b) Admission of Communist China to the United Nations to be the next order of business, with Acheson's active assistance—with enough votes to allow the United States to save face by voting against such admission, but not using the veto.

(c) Practical withdrawal of the defense of Formosa.

Then, Mr. President, following all those matters, the deal will be, of course, that world war III will be stopped conditioned upon the recognition of Communist China by the United States and upon the withdrawal of the defense forces from Formosa. That, of course, is something calculated to strike into the hearts of many of our countrymen—that we can stop this terrible war by recognizing Communist China. It is a great temptation to lay before the mothers and fathers of this country.

WORLD WAR III WILL RESUME—UNITED STATES WITHOUT FRIENDS

Mr. President, nearly any war can be stopped by surrendering. Then after 6 months, a year, or 2 years, or a reasonable time, after we have expended large amounts of money in rehabilitation of Korea and other areas, the Communists will start the fight again, and in the real world war III we will be without Nationalist China and will be standing alone, without friends.

Both England and France refuse to endanger their Far East holdings, in the Malayan States and in Indochina, by joining us in an attack upon Communist China or upon Russia, who holds Manchuria.

SHOULD USE THE VETO

Mr. President, we should use the veto to prevent the recognition of Communist China which will prove another Yalta—and a further step in world-wide Communist domination.

Regardless of past errors and ghastly mistakes we should use any means at our command to stop the wanton slaughter of American boys in North Korea.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the joint resolution (S. J. Res. 207) to continue for a temporary period certain provisions of the Housing and Rent Act of 1947, as amended.

Mr. MAYBANK. Mr. President, there has been considerable discussion among Senators as to when the vote is expected to be had on the question of extension of rent control. I have spoken to the minority leader [Mr. WHERRY] and to the Senator from Massachusetts [Mr. SALTONSTALL]. In view of the fact that several Senators will be absent from the Senate tomorrow on important business, I wish to announce that it is my hope, and my purpose after the Senate convenes tomorrow, and a quorum call has been had, and after various preliminary matters have been disposed of, to ask unanimous consent that a vote on the joint resolution providing for extension of rent control be taken at 12 o'clock on Wednesday, or after the quorum call has been had on Wednesday, which probably will not be ended until 12:30.

The PRESIDING OFFICER. The Chair understands the Senator to be making the statement so Members of the Senate may be informed of his intention.

Mr. MAYBANK. Yes. It is my purpose to ask unanimous consent that the Senate vote on the joint resolution on Wednesday. Of course, if objection is made, a vote cannot be had on Wednesday. I repeat, that tomorrow I intend to ask that the joint resolution be voted on on Wednesday, after the convening of the Senate and, of course, after a quorum call has been made, which the rule requires.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. BRICKER. Does not the Senator believe it is possible to have a vote on the joint resolution tomorrow afternoon?

Mr. MAYBANK. No, Mr. President. I have just stated that many Senators will be absent tomorrow on official business. So it has been thought that perhaps it would be best that unanimous-consent request be made for a vote on the joint resolution on Wednesday.

Mr. BRICKER. Why does the Senator believe more Senators will be absent tomorrow than on any other day?

Mr. MAYBANK. I cannot answer the Senator's question. I have discussed the situation with the Senate minority leader [Mr. WHERRY] and the Senator from Massachusetts [Mr. SALTONSTALL], who have discussed it with the Senator from Ohio [Mr. TAFT]. They thought perhaps it would be better to vote on Wednesday.

Mr. BRICKER. Would it not be just as desirable to have the vote on Thursday? I wish to be away from the session of the Senate on Wednesday.

Mr. MAYBANK. No one is more appreciative than I am of the cooperation of the junior Senator from Ohio in the Banking and Currency Committee in connection with this subject. However, we have thought it best that a vote be had on Wednesday. If objection is

made, a vote cannot be had on that day. My purpose in making the announcement is to assure Senators who have made inquiry, that a vote would not be had tomorrow.

Mr. BRICKER. Is the Senator willing to ask that the vote be had at a fixed hour on Thursday?

Mr. MAYBANK. I have no objection to that. It is necessary however, that a quorum call be had before that is done. I do not wish to ask for a quorum call this afternoon. It was my thought that after the quorum call has been had tomorrow, and after preliminary business has been transacted, I would ask unanimous consent that a vote be had on Wednesday. I have made that statement to the Senators to whom I have talked about the matter.

Mr. BRICKER. If objection is made to the vote being had on Wednesday, is the Senator willing to ask that it be had on Thursday?

Mr. MAYBANK. Yes.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WHERRY. The Senator is now saying that after the quorum call is had tomorrow he will present a unanimous-consent request that the vote be taken on Wednesday; that if objection is made, he will ask that it be had on Thursday. However, the Senator prefers that the vote be had on Wednesday.

Mr. MAYBANK. Yes. The reason for my statement is that many Senators will be absent on important engagements tomorrow. My purpose was to notify all Senators that the vote would not be had tomorrow.

Mr. WHERRY. It will be agreeable to me, Mr. President, that tomorrow, after the quorum call has been had, the Senator from South Carolina present his unanimous-consent request. His purpose in making his statement today is to assure Senators that there will be no vote on the joint resolution tomorrow.

Mr. MAYBANK. Yes. I wished to make the statement for the benefit of all Senators.

Mr. WHERRY. It is very considerate of the Senator from South Carolina to make the statement now so we may all be informed as to what is proposed to be done.

Mr. MAYBANK. Mr. President, I understood the Senator from Washington [Mr. CAIN] wished to speak. If he does not wish to speak, I shall move that the Senate take a recess until tomorrow.

Mr. CAIN. I should like first to inquire of the acting majority leader what the parliamentary situation is, and what he wishes to have done now.

Mr. MAYBANK. I appreciate the statement of my good friend the Senator from Washington. In view of the fact that the debate has been rather delayed, I would prefer to have the other Senators hear the distinguished Senator from Washington address us. I have assured him that we would not have a quorum call.

Mr. CAIN. The Senator from South Carolina is very kind. Because, to my

knowledge, no other Senator desires to speak on this question at length, I would prefer to offer my comments about the pending measure tomorrow.

Mr. MAYBANK. Very well.

LACK OF INFORMATION BY MEMBERS OF CONGRESS ON THE PRESENT SITUATION

Mr. CAIN. Mr. President, will the Senator from South Carolina permit me to take several minutes to read a letter, before request is made that the Senate take a recess?

Mr. MAYBANK. Certainly.

Mr. CAIN. Mr. President, about an hour ago the junior Senator from Louisiana [Mr. LONG], a very close friend of mine, came to me and said, in substance, "Senator, what are we going to do now? You sit on the one committee in the Senate, the Armed Services Committee, that ought to have some of the answers to the pressing questions of this day. What ought we and this country do?"

I responded in the only fashion in which I could respond; I said that as of this minute I only wish that I and other members of the committee, and Members of the Senate generally, as well, might have some satisfactory and reasonable answers, but we do not. I continued to relate, in a sentence or two, that I supposed I was no different than any other Senator, these days, in that our desks are simply overflowing with mail from worried constituents throughout the country. They write to advise us to see to it promptly that the Secretary of State is fired, or that the Secretary of State ought to be maintained in his office. They write, out of the urging of their own hearts, to say that it is their view that America ought to get out of Korea; or that America, through its commander in chief in the field, ought to be given authority to use the atom bomb. They write, as they ought to write, and as we would expect them to write, on every conceivable subject. In most instances there is no clear-cut answer, so far as the Senator from Washington is concerned, that he can send to satisfy their thirst for knowledge.

I told the Senator from Louisiana that in an effort to do as best I could with the mail which presently is coming from almost everywhere I had but the other day written a letter which I have asked my staff to send to any and every American who is so thoughtful as to write to me these days. The letter should, from my point of view, constitute only an interim response. The letter indicates one or two things which the junior Senator from Washington thinks should be done; but the letter does not maintain that the author of the letter, the Senator from Washington, thinks he knows best or conclusively what ought or can or must be done.

However, in an effort perhaps to be of some very small assistance to other Members of the Senate who find themselves as pressed with correspondence on these matters as I am, I shall read the letter, which I have sent to several hundred Americans, and which I shall send to others, although I hope I can im-

prove upon the letter from day to day. I now read the letter:

UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
December 1, 1950.

DEAR SIR: I was grateful for your recent communication and will answer it as best I can. Since the Communist armies began their large-scale attacks, I, and most other Senators, have received thousands of letters and telegrams from patriotic, well-intentioned citizens all over the land. The very bulk of this mail prevents me from responding to any individual's thoughts or advice in detail.

My best and considered view is that America and the free world has never been so in trouble or so squarely confronted with the possibility of major and continuing losses on the field of battle. Others will disagree, but I believe that the United States is presently fighting for military, political, and economic survival.

It is not sufficient to the needs of the hour to criticize the past. Our joint responsibility and hope is to find a solution for the tragedy of the present.

The Congress, as I believe, wants to find a way to assist the administration in the conduct of the war, which I defined as being war on the day after hostilities began in Korea last June. Thus far neither the administration nor the United Nations have sought our advice or assistance. Members of the Congress have offered their advice to the administration and to the United Nations, but little of it has been taken.

As matters stand in Korea the situation is both impossible and fantastic. Tens of thousands of Americans and South Koreans and about twenty thousand troops from 50-odd nations from among the United Nations, our allies, are committed to bloody combat in Korea while their commander in chief, General MacArthur, has been denied the authority to strike at and destroy the enemy's supply and communication lines. Such a dilemma has never confronted an army in all of history.

My view is that we must let General MacArthur use every means and every weapon against the enemy or we must endeavor to entirely remove the United Nations forces from Korea. Whether this latter and possible step could be accomplished at this late date I am not qualified to say.

Some months ago I traveled broadly in Western Europe and the Near East in an effort to determine the military capacity, intentions and preparedness of our allies in Western Europe and the Near East. With no possible pride of authorship I told the Senate and the country on my return that the free world was totally unprepared to protect itself and that our lack of strength was a continuing and clear invitation for the forces of communism to attack us, in an effort to annihilate us, all over the world. Three months have gone by since this tour was completed and the free world is less well prepared to defend itself than was the case 90 days ago.

I am satisfied that the country has no appreciation of the danger which is upon us. We continue to debate, both in and out of the United Nations, while a ruthless enemy pursues his determination to crucify the world. The administration has not shared nearly all of its knowledge of this danger with our Nation. Some of us have used what little influence we possess to lay the facts of life before the Nation and in return we are often referred to as being isolationists, reactionaries, or reexaminitists. Such allegations do not bother us as individuals but make us very sad because such charges help to minimize our effectiveness.

My only present and complete preoccupation is with Korea and other areas where war may likely break out at any minute. I can only do what I think must or can be done from day to day. As a member of the Armed Services Committee I have an opportunity to remain close to the military facts in Korea and elsewhere.

The imperative thing which ought to be done at once is for the President of the United States to tell America publicly where it stands. Until this is done, no comprehensive program will be agreed to by the Congress, because the Congress won't know what to do. The Congress can't manage, direct, or win the war. The Congress is only equipped to support and carry out a design for victory and eventual peace which is laid before the Congress by the Administration. Were this not so some of us would have taken matters into our own hands months ago. The fact is that we can talk, but unfortunately we cannot act on our own initiative.

Please write to me again whenever you feel so inclined. I will tell you what I think is going on at any time.

With regards which are very sincere and full of hope, I am,

Appreciatively yours,

HARRY P. CAIN.

Mr. President, I wish that I, as a Member of this body, could have written a much better, more factual, and more hopeful letter to those constituents of mine. I shall keep on trying to secure information and to work with others, in both parties, in hopes that we can soon lay before the American people a full and complete definition of where this Nation and our allies stand and how this Nation and our allies are going to extricate ourselves from a situation which, to say the least, is extraordinarily grave tonight.

THE KOREAN CRISIS

Mr. STENNIS. Mr. President, I wish to commend the Senator from Washington for his very timely bringing of that letter to the attention of the Congress.

I had hoped that more Members of the Senate today would give us the benefit of their thinking and their views with reference to the plight with which we find ourselves faced in Asia and the personal plight that the men who in Asia are carrying the flag for us find themselves in on the battlefield.

Mr. President, I am not a member of the Committee on Armed Services, nor am I a member of the Foreign Relations Committee. I should like to express what I believe is the hope and wish of many other Members of this body who are not on either of those committees, namely, that we be given more light on the situation.

I have observed that in the past week or 10 days several members of those committees have, very properly, been brought into some very serious conferences. I hope all of them have been fully briefed regarding the situation. However, the Members of the Senate who do not serve on those committees do not have the advantage of that information, although the mail we receive from our constituents assumes that we know all the facts.

Our mail from home assumes that the Congress is setting the policies of this war, that we are determining the poli-

cies of the Nation. It is true that we are the policy-making branch of the Nation and our mail from home assumes that we are responsible, too, for policies in war. I am not seeking to dodge any of that responsibility, but I plead for further illumination as to the facts, harsh as they may be, because we are the ones to whom the people look, we are the ones whom they blame. Merely putting it on the basis where it belongs under our form of government, we are the ones who will be blamed, and I say we should therefore be fully informed and fully briefed. I think we ought to know the facts. We are told, "It would cause leaks, and everything would become known." That is one of the hazards, perhaps, of our form of government. But military authorities can withhold secret military facts, and at the same time keep us fairly well informed as to the basic conditions.

I certainly am not a military man, and I am not seeking to offer military advice; but from such light as I have before me, I think the day has long since arrived when we ought to strike communistic China with all the force and power we have; we ought to give the commander in Korea full power to strike with everything we have, in every way he can and I urge that we either strike in this manner or that we evacuate and get out of Korea.

It seems to me that it is without precedent, in all modern history, at least, to undertake a venture of this kind without the authority to go all the way; and I think we are reaping the fruits of this hybrid policy. It may be that we cannot evacuate; I do not know; but on the facts, I know we are already faced with such a situation that we shall have to strike in every way and with everything we have, even if it means war with China, or even with Russia. Our boys in Korea and Japan must be protected at once.

That is my thinking on the subject, and it is this point that I urge those who are making the decisions to consider seriously. The President of the United States, the United Nations to the contrary notwithstanding, is the Commander in Chief of our Armed Forces. I do not say that in criticism. I support the United Nations. I have been greatly encouraged by its accomplishments, but most of the men who are carrying the flag of the United Nations are from our Armed Forces, and I think the President of the United States, as Commander in Chief of our Armed Forces, is going to have to intervene there and to do it quickly. He must give the commands to strike with everything that we have, or we will merely have to say to the United Nations that we shall have to withdraw.

Mr. President, I have been concerned constantly as to why we are not using the Chinese Nationalist troops. There may have been very good reasons. I think there was sound logic back of many of the reasons which were given during the first part of this affair, for our not using those troops. The reason given was that probably their use would cause communistic China to enter the

conflict. Mr. President, communistic China is now in it with all the striking power and all the fury at her command, the like of which I have never known before. I have understood that no reports more grave or serious have come to the Congress since George Washington sent his message from Valley Forge. But, whatever reasons there may have been for the failure to use the Chinese Nationalists, it seems to me those reasons have all long since gone by the board and have entirely disappeared from the picture. I think that either the Chinese Nationalists ought to be put into action, if they are willing, or we ought to be told the reason why they are not. I think it is a matter for the policy-making branch of the Government. We are entitled to know the reasons why. Upon my responsibility, and basing my conclusion on facts I have before me, I advocate the use of those troops.

I liked the expression used by the Senator from Washington that the world must know exactly where we stand, and our allies in the United Nations must know where we stand. But more than that, the American people need to know where we stand. I do not say this in any spirit of "I told you so"; not at all; but I am referring here to a short speech I made on the floor of the Senate on the 12th day of August 1950 in which I used these words:

Mr. President, this is a dark day in America now, but not caused altogether by the unfavorable news that comes from Korea. I have a confident feeling that the trend there will be reversed. The darkness of the hour is due to the lack of a policy and the lack of a plan that extends beyond Korea. The people want light from Washington. Mr. President, I repeat, the people of the United States will not long support an undeclared war that does not have a definite direction, a clear purpose, and an ultimate goal. We are supporting such a war now but that support will not long last, nor should it last long without a policy for which definite plans can be made and carried out. Without a clearly defined cause to fight for, made unmistakably plain to all of us, this war will soon grow sour and stale.

This is no time for soft words. We must have a definite, realistic, positive policy as to this war and our future protection. We do not have it now.

Mr. President, I renew the sentiments expressed in that brief speech, made more than 3 months ago. It was not spoken as prophecy. I am not speaking in terms of "I told you so," but the people of the United States whose boys are shedding the blood and providing the flesh and the bone on the frozen battlefields of Korea are crying out for an answer, and are asking "Why, oh, why?" They are willing to sacrifice. They are willing to fight. They are willing to die, if the cause is basically American. But we must have a statement as to our policy. We must know where we are, and I think we should strike with everything we have, or else evacuate. We should bring in the Chinese Nationalists. If such a policy is not sound, then the people of the United States ought to be told it is not and why it is not. I hope

that we can and will move forward with a clearer understanding of the facts that we must face.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the joint resolution (S. J. Res. 207) to continue for a temporary period certain provisions of the Housing and Rent Act of 1947, as amended.

Mr. MAYBANK. Mr. President, I ask unanimous consent that, following the reconvening of the Senate tomorrow and the obtaining of a quorum, and also after I shall have made a unanimous-consent request, the Senator from Washington [Mr. CAIN] be permitted to offer an amendment to the pending joint resolution and to speak thereon for 15 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MAYBANK. Mr. President, I dislike to make another unanimous-consent request, but the Senator from Mississippi [Mr. EASTLAND] has requested me to try to get unanimous consent that on tomorrow, following the remarks of the Senator from Washington [Mr. CAIN], the Senator from Mississippi be recognized for 15 minutes. I make that unanimous-consent request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

RECESS

Mr. MAYBANK. Mr. President, I move that the Senate stand in recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 57 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, December 5, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 4 (legislative day of November 27), 1950:

DISPLACED PERSONS COMMISSION

John W. Gibson, of Michigan, to be a member of the Displaced Persons Commission.

COLLECTOR OF CUSTOMS

Cornelius F. Reardon, of Billings, Mont., to be collector of customs for customs collection district No. 33, with headquarters at Great Falls, Mont., in place of William H. Bartley.

UNITED STATES DISTRICT JUDGE

Edward P. Murphy, of California, to be United States district judge for the northern district of California to fill a new position.

IN THE NAVY

The following-named officers of the Navy for permanent appointment to the grade and corps indicated:

CAPTAIN, LINE

Albert O. Momm	Thomas Ashcraft
Albert C. Burrows	John L. Collis
Robert O. Strange	George E. King
Irwin F. Beyerly	Albert J. Walden
Hugh R. Nieman, Jr.	John K. McCue
Daniel J. Wagner	Francis C. B. Jordan
Allan G. Gaden	Edward A. Hannegan
Thurmond A. Smith	Leonard F. Freiburg
Stephen H. Ambruster	house
Michael F. D. Flaherty	Neale R. Curtin
Rollo N. Norgaard	Edwin J. S. Young
Robert J. Archer	Clarence M. Bowley
Idris B. Monahan	Thomas A. Donovan

David W. Todd, Jr.	John R. Moore
Robert L. Morris	Thomas P. Wilson
Alan B. Banister	Elliott W. Parish, Jr.
John C. Alderman	Caleb B. Laning
John M. Boyd	Paul Foley, Jr.
Marcel R. Gerin	Joseph B. Berkley
Paul R. Anderson	Claude V. Ricketts
Phillip D. Gallery	Francis R. Duborg
John A. Williams	Richard C. Lake
William F. Raborn, Jr.	Williston L. Dye
Robert T. S. Keith	William H. McClure
Basil N. Rittenhouse, Jr.	George W. Ashford
Lex L. Black	Albert C. Perkins
Jack C. Renard	Laurence C. Baldauf
William L. Kabler	Ralph C. Lynch, Jr.
Phillip G. Stokes	Carl A. Peterson
John A. Scott	Jacob W. Waterhouse
Richard E. Hawes	Marvin G. Kennedy
Edward T. Eves	Herman L. Ray
William M. Searles	Lamar P. Carver
Evan E. Fickling	Oliver G. Kirk
Robert C. Peden	Roy Jackson
George Fritschmann	Guy P. Garland
Ross F. Mahachek	Earl T. Schreiber
Clinton D. Case	Roy L. Johnson
Joe E. Wyatt	Arthur S. Hill
John R. Diffley	Edward J. O'Donnell
Stephen N. Tackney	John F. Davidson
Robert W. Wood	Warner S. Rodimon
Guy W. Stringer	Charles O. Triebel
Abraham L. Baird	Edward R. Hannon
James M. Farrin, Jr.	Reynold D. Hogle
Charles E. Trescott	William H. Watson, Jr.
George H. Wales	Clayton C. Marcy
Herbert J. Hiemenz	Goldsborough S. Patrick
Frank M. Adamson	Roy S. Benson
Charles E. Weakley	Joseph B. Duval, Jr.
Henry S. Persons, Jr.	Howard C. Bernet
Earl A. Junghans	Lowell T. Stone
Samuel C. Anderson	George F. Beardsley
Gerald L. Huff	Richard R. Ballinger
Leonard O. Fox	William T. Easton
Frank Novak	Charles H. Crichton
Baron J. Mullaney	Samuel B. Frankel
John W. Davison	John Andrews, Jr.
	James H. Mills, Jr.

CAPTAIN, MEDICAL CORPS

Otto E. Van Der Aue	Francis K. Smith
Howard K. Sessions	James B. Butler
Langdon C. Newman	Andrew Galloway
Victor G. Colvin	Marcy Shupp
Donald O. Wissinger	Eugene R. Hering, Jr.
Adrian J. Delaney	Erwin H. Osterloh
Fitz-John Weddell, Jr.	Charles D. Bell
Leslie D. Ekvall	Paul M. Hoot
Joseph L. Zundell	Morris M. Rubin
Giffin C. Daughtridge	Louis M. Harris
Benjamin G. Feen	Charles R. Moon
Harold J. Cokely	Thomas W. McDaniel, Jr.
Clarence F. Morrison	Harold E. Gillespie
Lawrence E. Bach	Edgar Riden
John H. Ward, Jr.	Paul Peterson
Ralph M. McComas	Alton R. Higgins
Malcolm W. Arnold	Luther G. Bell
Thomas L. Willmon	
James J. Sapero	

CAPTAIN, SUPPLY CORPS

James S. Bierer
Allan M. Gray
Milton C. Dickinson

CAPTAIN, CHAPLAIN CORPS

Frank R. Hamilton
Paul G. Linaweaver
Roy R. Marken

CAPTAIN, DENTAL CORPS

Victor A. LeClair	Merritt J. Crawford
George N. Crosland	Adolph W. Borsum

COMMANDER, LINE

William L. Kitch	Norman J. Kleiss
Edward M. Luby	James A. Boyd
Frank D. Whalen	William J. Collun, Jr.
Robert C. Giffen, Jr.	Raymond Berthrong
George R. Reinhart	Edwin L. Pierce
Herbert S. Graves	Harry B. Stott
Bricker M. Ganyard	James M. Palmer
James A. Masterson	Edward S. Manown
Thomas R. Ingham	Wendell W. Suydam

Kenneth G. Robinson	Robert C. Wing
Charles H. Morrison, Jr.	Robert H. Hopkins
Oliver W. Bagby	Raymond J. LeBer
Guy F. Gugliotta	Allen V. Green
Albert R. Olsen	Edwin T. Harding
Albert F. Hollingsworth	Thomas R. Fonick
John E. Wicks, Jr.	Robert B. Hutchins
Randolph Klippel	Leonard R. Hardy
Robert W. Rynd	Orville E. Hardcastle
Robert C. Millard	Verne A. Jennings
Charles E. Pond	Griffin Chiles
Miles P. Refo 3d	Winfred C. Hilgedick
Emery H. Huff	John R. Schwartz
John R. Sweeney	John P. Conway
Andrew L. Burgess	Harvey D. Kermode
Charles O. Akers	James S. Brown
Fred J. Schroeder	Henry L. Haskell
Wilmer E. Rawie	John A. Gustavsen
Cecil V. Johnson	John A. Johansen
Charles A. Marinke	Charles R. Burtz
Charles C. Hartigan, Jr.	Rupert D. Phillips
Frank L. Bogart	Ellsworth N. Smith
John L. Haines	William E. Wallace
Oscar B. Parker	William G. Holly
Michael T. Tyng	Robert H. Fagan
Andrew D. Jackson, Jr.	Henry L. Plage
Homer E. Conrad	Grant O. Hansen
Walter H. Kreamer	Frank W. Evans, Jr.
Eugene T. B. Sullivan	Emerson H. Dimpfel
Thomas Washington, Jr.	Frank M. Christiansen
Gordon B. Williams	Gerald L. Cameron
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HOUSE OF REPRESENTATIVES

MONDAY, DECEMBER 4, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal God, whose resources of wisdom and power are inexhaustible, grant that in these days, when truth and righteousness and justice are being violated, we may have the clear and commanding conviction that these virtues and forces can never be defeated or destroyed.

However great the temporary triumph of the enemy, however severe our sufferings and sacrifices may be, we are confident that our cause will be victorious.

We know that the struggle in which we are engaged is testing our material strength to the utmost but may we not fail to see that the more serious test is that of our morale.

Give us a calm and courageous spirit and an indomitable faith. May the least as well as the greatest, the weakest as well as the strongest, have a share in maintaining the Nation's morale and thus render valuable service to our beloved country in its time of desperate need.

We pray that Thou wilt guide with Thy Spirit the representatives of the freedom-loving nations as they take counsel together in an effort to resolve all international conflicts and reconcile all international estrangements.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of Friday, December 1, 1950, was read and approved.

VOCATIONAL REHABILITATION FOR DISABLED VETERANS—COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 728)

The SPEAKER laid before the House the following communication from the

President of the United States, which was read and referred to the Committee on Veterans' Affairs and ordered to be printed:

THE WHITE HOUSE,
Washington, December 4, 1950.
HON. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I wish to recommend action in the present session to renew the program of vocational rehabilitation for disabled veterans, which was in effect during and after World War II. Since the armed forces are now beginning to discharge men disabled in the current hostilities, renewal of these benefits has become a matter of urgency, warranting action before the present Congress adjourns.

During the last war, as at the present time, the first men to be released by the armed forces were those who had been wounded or otherwise disabled and were no longer able to serve on active duty. These men were, and are, entitled under permanent law to full medical treatment and to monthly compensation, varying with the degree of disability. In addition, disabled veterans of World War II were given help by the Government in gaining the qualifications needed for civilian employment. In some cases this meant completion of professional training interrupted by the war. In other cases old skills had to be brushed up or new skills acquired.

This program was authorized by Public Law 16 of the Seventy-eighth Congress. Under this law every disabled veteran who needed vocational rehabilitation in overcoming the handicap of his disability was enabled to undertake any type of education or training for which he had aptitude and interest. The colleges and universities and the trade and vocational schools all cooperated in the program, and many special courses were established. Arrangements were also made in many cases for training on the farm and on the job.

While the disabled veterans were in training their tuition was paid by the Government and the Government financed their subsistence and school supplies.

In this way thousands of disabled veterans were reequipped for jobs in civil life. In a great many cases these men were able fully to overcome the loss of earning power which had resulted from their disability. In all, more than 550,000 disabled veterans have participated in the rehabilitation program authorized by Public Law 16.

However, the benefits of Public Law 16 are not available to men who began their military service after July 25, 1947. This means that most of the men disabled during the current campaign in Korea will not receive the kind of rehabilitation benefits which were extended to the disabled veterans of the last war unless new legislation is enacted. I hope that such legislation will receive favorable action by the Congress before the close of this session.

Disabled veterans will need rehabilitation assistance first of all. Later they may also need other kinds of help in re-

adjusting to civilian status. The next Congress will have an opportunity to give full consideration to their longer-range needs and to those of the able-bodied men, now in service, who will eventually be returned to civil life. In planning to meet these needs it will, of course, be essential to relate any new benefits to the readjustment problems which will actually face our future veterans. It will be necessary to review with care the experience gained in the veterans' readjustment programs after World War II. This will take time.

Meanwhile, however, there is no reason for delay in meeting the immediate needs of the disabled servicemen who are now being released by the Armed Forces.

Very sincerely yours,
HARRY S. TRUMAN.

SPECIAL ORDER GRANTED

Mr. LANE asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders heretofore entered.

RAIL-SAFETY LEGISLATION

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, how many more lives must be sacrificed; how much more blood must be shed in railroad tragedies in this Nation before public officials are awake to their responsibilities in safeguarding the lives of the employees and the passengers in our rail transportation system?

We are greatly disturbed for a few days after each major rail accident and shout for investigations in search of the cause of each tragedy. But I have waited many years for some good to come from these probes. Too many people forget too fast, and after the public indignation caused by the horror of a major wreck subsides, so, too, does the interest of public officials in taking steps to prevent repetition of rail tragedies.

Too frequently have I felt compelled to address this House in pleas for legislative action to promote increased safety on our country's railroads. It was only a few short weeks ago, following a terrible train crash in Ohio in which 33 Pennsylvania National Guard men lost their lives, that I appealed for action on rail safety legislation which I have proposed.

I could list many accidents in recent years that point to the necessity for legislation to strengthen the authority of the Interstate Commerce Commission to compel the installation of additional safety equipment on our railroads. But I feel it is hardly necessary for me to again mention the long series of fatal wrecks, especially with the Long Island wreck fresh in our minds. In it 77 lives were lost. On Monday of last week, November 27, there occurred another accident which could have been a holocaust when a troop train crashed head on into a standing freight train at Screven, Ga.

Twenty-three men were injured, but, thank God, none of the 203 GI's aboard the troop train were killed.

The Long Island wreck, the Ohio tragedy, the Georgia wreck, join the long list of accidents caused by speeding trains crashing into standing trains, or slowed-down trains, accidents which could be prevented by proper safety devices.

As I have said on many occasions on this floor—such accidents are tragic lessons on the need of two-way radio communications on all our railroads.

I have introduced legislation in the Congress for the past 4 years calling for the Interstate Commerce Commission to carry on a continuous study of communications systems, including radio and radar, with the object of applying to railroad operations those found to have real worth.

If, after investigation, the ICC finds it necessary in the public interest, it should be authorized to order any carrier to install within a specific time telephone, telegraph, radio, radar, inductive, or other systems to improve safety.

A subcommittee of the House Interstate and Foreign Commerce Committee has incorporated my proposed legislation in a general rail safety measure. This Congress could devote some of the brief remaining time to enact such worthy legislation into law and in so doing perform a most worth-while service to the Nation.

I am convinced that the Long Island wreck, the Ohio tragedy, the Georgia accident, and many others, especially those in which stalled or slowed-down trains have figured would have been prevented by two-way radio communication systems.

I recognize the fact it is not possible to discount human failure as a cause of railroad accidents, but train radio and other automatic safety devices were invented to minimize such unavoidable possibilities.

Let us here in Congress fulfill our responsibility by spelling out the authority of the Interstate Commerce Commission in ordering the installation on our railroads of the most modern safety devices.

COMMUNISM

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, do not call me a "lame duck." I expect to work even harder, one way or another, to help defeat communism, the New Deal-Fair Deal—raw deal for the American people—as long as I am permitted to remain on this good earth.

Under permission to extend my remarks, on Monday the 27th, I have inserted in the Appendix of the RECORD an article on communism and the Un-American Activities Committee. My desire is not to offend anyone of this committee, for which I have a great deal of respect, but I would like to see more action by the committee in the Eighty-second Congress than there has been in the

Eighty-first Congress. And this is no red herring. Does it not seem ridiculous that we are spending billions and billions of dollars in foreign countries to rid them of communism, while we have Communists in our own country and are not doing what we should to rid ourselves of them?

Many good, sound Republicans on the Un-American Activities Committee, Representatives NIXON, CASE, MUNDT, all have left the House and gone to the Senate. We need men like them on this important committee. At the opening of the Eighty-first Congress the New Deal tried to remove from the committee one of the best members because he did not follow the dictates of the Chief Executive and the leaders of the New Deal Party.

Now I make this proposal to the Republicans, who will have a voice in some changes in the Eighty-second Congress. I suggest to JOE MARTIN, CHARLIE HALLECK, LES ARENDS, CLARENCE BROWN, and other leaders of the Republican Party in the House, that they do everything possible to help rid America of communism. To that end, if there are no Republicans who really desire membership on the Un-American Activities Committee, I respectfully suggest to Republican House leaders that they support JOHN RANKIN, of Mississippi, who did such a fine job in creating and carrying on the duties of this committee, and then let the New Deal try to remove him. To me this would be a most meritorious move on the part of the Republicans. I strongly recommend it and hope that it will be given the consideration it deserves.

SPECIAL ORDER GRANTED

Mr. VELDE asked and was granted permission to address the House for 30 minutes today, following the regular order of business and any other special orders heretofore entered.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during general debate during the session of the House today.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

COMPENSATION AND LEAVE BENEFITS FOR POST OFFICE CUSTODIAL EMPLOYEES

The Clerk called the bill (H. R. 8711) relating to the compensation and leave benefits of officers and employees in the custodial service of the Post Office Department transferred to the General Services Administration under Reorganization Plan No. 18 of 1950.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDING SECTION 17 OF THE CONTRACT SETTLEMENT ACT OF 1944

The Clerk called the bill (H. R. 8833) to amend section 17 of the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

AMENDING THE RAILWAY LABOR ACT

The Clerk called the bill (H. R. 7789) to amend the Railway Labor Act and to authorize agreements providing for union membership and agreements for deductions from the wages of carriers' employees for certain purposes and under certain conditions.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

AID TO NEEDY AMERICAN NATIONALS

The Clerk called the bill (H. R. 8927) to authorize aid to needy American nationals in connection with their repatriation from foreign countries, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDING SECTION 9 (A) OF THE TRADING WITH THE ENEMY ACT

The Clerk called the bill (S. 1837) to amend the Trading With the Enemy Act.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

AUTHORIZING THE SECRETARY OF THE NAVY TO REVIEW THE RECORDS OF COMMISSIONED NAVAL AND MARINE OFFICERS

The Clerk called the bill (S. 780) to authorize the Secretary of the Navy to review the records of commissioned naval officers who failed of advancement during the war, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HARE, Mr. WADSWORTH, Mr. BYRNES of Wisconsin, Mr. CUNNINGHAM, and Mr. FORD objected, and the bill was stricken from the calendar.

SEPARATION OF SUBSIDY FROM AIR-MAIL PAY

The Clerk called the bill (H. R. 9184) to provide for the separation of subsidy from air-mail pay, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, a rule has been granted for the consideration of this bill. I therefore ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMENDING SECTION 1205 OF TITLE XII OF THE MERCHANT MARINE ACT OF 1936, AS AMENDED

The Clerk called the bill (H. R. 9715) to amend section 1205 of title XII of the Merchant Marine Act, 1936, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

NATURALIZED CITIZENSHIP TO ALL ALIENS HAVING A LEGAL RIGHT TO PERMANENT RESIDENCE

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9780) providing the privilege of becoming a naturalized citizen of the United States to all aliens having a legal right to permanent residence.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, and I do not intend to object, will the gentleman from Pennsylvania [Mr. WALTER] kindly explain this bill?

Mr. WALTER. Mr. Speaker, the purpose of the bill is to remove racial restrictions in the naturalization of aliens who have a legal right to remain in the United States but cannot become citizens because of racial exclusion. This is the same bill that was passed by the House on two occasions, and subsequently passed over the veto of the President. The objectionable part of the bill has been removed because the restriction features that were in the bill as passed by the House have been included in the McCarran law and are now the law of the land.

Mr. CUNNINGHAM. Since this has already been passed over a Presidential veto, this bill in effect amends the present law.

Mr. WALTER. That is correct.

Mr. CUNNINGHAM. Mr. Speaker, I withdraw my reservation of objection.

Mr. RANKIN. Mr. Speaker, reserving the right to object, in my opinion this is no time to be passing legislation of this

kind; it is of more far-reaching effect than the average Member realizes.

I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. The pending request is that the bill be considered.

Mr. RANKIN. Mr. Speaker, I object.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in three instances, in each to include extraneous matter.

Mr. ROOSEVELT (at the request of Mr. PRICE) was given permission to extend his remarks.

Mr. HAYS of Arkansas asked and was given permission to extend his remarks and to include extraneous matter.

Mr. HOLIFIELD asked and was given permission to extend his remarks in two instances, in each to include extraneous material.

Mr. MULTER asked and was given permission to extend his remarks in four instances, in each to include extraneous material.

Mr. WHITTINGTON asked and was given permission to extend his remarks and include therein an address he delivered as president at the fifteenth annual convention of the Mississippi Valley Flood Control Association at New Orleans, La., on November 30, 1950.

Mr. KARST asked and was given permission to extend his remarks and include therein an editorial from the Louisville Courier-Journal.

Mr. O'SULLIVAN asked and was given permission to extend his remarks in three instances and to include extraneous matter in each.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks and include a newspaper article.

Mr. RICH asked and was given permission to extend his remarks in two instances, and include editorials.

Mr. VURSELL asked and was given permission to extend his remarks.

Mr. JONAS asked and was given permission to extend his remarks and include an editorial from the Chicago Daily Tribune.

Mr. HOEVEN asked and was given permission to extend his remarks and include an editorial from the Sioux City Journal.

Mr. McDONOUGH asked and was given permission to extend his remarks in three instances.

Mr. PLUMLEY asked and was given permission to extend his remarks in two instances, in each to include extraneous matter.

Mr. KEARNEY asked and was given permission to extend his remarks and include extraneous matter.

Mr. HARVEY asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. CRAWFORD asked and was given permission to extend his remarks in the RECORD and include two statements.

Mr. ENGLE of California asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. CROSSER (at the request of Mr. PRIEST) was given permission to extend

his remarks in the Appendix of the RECORD and include an address.

Mr. STEFAN asked and was given permission to extend his remarks and include an address.

Mr. CANNON. Mr. Speaker, in my request last week to extend my remarks the extension ran one-third of a page over the amount permitted under the rules, the estimate of the Public Printer being \$191.34. I renew my request, Mr. Speaker, notwithstanding the cost.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

EXCESS-PROFITS TAX ACT OF 1950

Mr. COLMER. Mr. Speaker, I call up House Resolution 872 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 9827) to provide revenue by imposing a corporate excess-profits tax, and for other purposes, and all points of order against said bill are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 2 days, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by the direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by the direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Mississippi is recognized for 1 hour.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois, and pending that I yield myself 10 minutes.

The SPEAKER. The gentleman from Mississippi is recognized for 10 minutes.

Mr. COLMER. Mr. Speaker, today we begin debate under this rule on an important piece of legislation designed to raise an estimated additional \$4,000,000,000 annually in taxes. The rule is a closed one like all other rules for the consideration of tax legislation. Both the Democratic and Republican members of the Ways and Means Committee who appeared before the Rules Committee on Friday agreed that this was the only type of rule that could be granted for the consideration of this bill. It provides not to exceed 2 days of general debate with only such amendment as may be offered by the committee. There is, therefore, no necessity of discussing the merits of the rule, and I take it that it will be adopted at the end of the hour

provided without dissenting votes. Neither shall I debate the merits of the particular method provided in this bill for raising this additional revenue. I realize there are two schools of thought as to how this money should be raised; but not being a tax expert I must confess that I am not competent to discuss the merits of these two proposals. I do know, however, that there is an urgent necessity for raising additional revenue and at the conclusion of the debate I shall vote for the bill as amended. When we consider the fact that this Government is in the red almost \$250,000,000,000 and that there is now before the Appropriations Committee a request of the President for an additional \$18,000,000,000 which will no doubt be appropriated at this short session, it is unthinkable that we should not increase the revenue of the Government. Moreover, in view of the additional fact that corporate and other profits are at an all-time high, with the prospect of those profits increasing as we step up our mobilization program, sound business judgment, as well as patriotism, make it imperative that we take this step.

Mr. Speaker, as one who possesses a fair knowledge of American history and with no desire to appear dramatic, but, rather, impelled by the motive of sincerity and realism, I say to you that in my humble judgment this young Republic faces the greatest crisis in its history. The Soviet Union under the leadership of Josef Stalin and his henchmen, who control the destinies of the Russian people, have succeeded in causing the leaders of the Chinese Communist regime to wage war upon us and other members of the United Nations. They have, also, succeeded in depriving free peoples of many other war-ridden countries of their liberties by setting up puppet governments subservient only to the will of Moscow. This has all been possible by the use of propaganda for the false pagan philosophy of communism.

We and the United Nations are now faced with the problem of either moving out of Korea and thereby losing face in a section of the world where face means so much or else confronting the real danger of being forced to wage an exhaustive and doubtful war against a normally friendly people 7,000 miles from our shores. Either horn of the dilemma is most distasteful.

Today, Mr. Attlee, claiming to speak for all of Western Europe, is conferring with President Truman. It is to be assumed that the President will have the benefit of the advice and counsel of those entrusted with our policy making in the diplomatic and military fields. Press reports indicate that Mr. Attlee, like Mr. Chamberlain, who occupied a similar position in the events which led up to World War II, favors further appeasement of Stalin, even as Mr. Chamberlain attempted to appease Hitler at Munich. Of one thing we may be sure, however, and that is, regardless of our having twice come to the rescue of France and England in World War I and II and of all of the financial assistance we have furnished them in the rehabilitation of

their countries following those wars, that Mr. Attlee in Washington will be thinking and speaking of and for the Socialist Governments of England and France, and that it will, therefore, be very necessary that President Truman and his advisers take the necessary precautions to see that the interest, the security and the future of the United States be protected.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. COLMER. Mr. Speaker, I yield myself seven additional minutes.

Surely those who represent us here in this fateful conference will be realistic enough to diplomatically point out these things to Mr. Attlee and his advisers, and to remind them, moreover, that we are all in a common boat; that our individual interests must be subordinated to the common cause; that America is not only unwilling but unable to furnish both finances and men to defend Asia and Europe on two fronts; that if Europe wants us to remain in Korea, Europe must furnish more than a token force of manpower—on the other hand, that if England and France and the rest of Europe expect America to continue financing them, they must be prepared to largely furnish the manpower for the armies on the European front; that this is no time for bickering about arming and enlisting the assistance of Western Germany; and, finally, that if Western Europe is unwilling to take a firm stand and to fight if necessary in order to stem the further tide of Russian aggression and to make the necessary sacrifice therefor, the United States is in a better position, due to its geographical location, to play the appeasement role than either France or England. Permit me to say to my colleagues assembled here that I realize the impossibility of the Congress, as such, to write the program or to make the necessary decisions so gravely impending in this hour of world crisis. Under our democratic process, the conferences of diplomacy and the strategy are of necessity left with the President and his advisers in the diplomatic and military fields. That there have been mistakes made by this administration in both fields I am among the first to admit. In fact, some of you will recall that ever since my return from a study of conditions in Europe, and particularly in Russia, more than 5 years ago, I have been urging a realistic and firm policy in dealing with Russia, but no good purpose can now be served with an I-told-you-so harangue.

It is now beside the point whether the mistake was made in selecting Korea as the point at which to call Russia's hand. It is beside the point now as to whether a mistake was made in going north of the thirty-eighth parallel after driving the North Koreans out of South Korea. The fact that all of Russia's late allies in World War II have followed an erroneous policy of appeasement from Yalta until Korea is, also, a moot question.

The next few days should largely determine what our future course shall be. Once that course is decided upon as a result of these conferences, there are some things that you and I as Members of the Congress of the United States can

and should do. For, regardless of the outcome of these conferences, we realize now, if we have never known before, that Russia is bent upon world revolution and world domination and that the struggle may well last for many years to come.

First. We must obliterate the aisle that serves as a line to divide the Democrats and Republicans in these two Chambers of the Congress. We must stand together as Americans with no political bickering over party lines; for, surely, if we lose this fight, there will be but one party in this country as there is in Russia and her satellites.

Second. We must see to it that there is, as nearly as is humanly possible, an equality of sacrifice on the part of our people in the long years ahead. There must be no slacking. There must be no business as usual. There must be no politics. There must be no millionaires made out of the sweat and blood of our boys. There must be no crippling strikes in our industrial production. There must be no Harry Bridgeses and John L. Lewises to sabotage the efforts of our warriors.

Third. As distasteful as controls are to a free people we must become realistic and provide for all-out controls of our economy. We should see to it that these controls are across the board, remembering our experience in the last two wars, that one segment of the economy cannot be controlled without the other. Wages, prices, and inflation must be controlled. We know that wage controls are not looked upon with favor by this administration, but I repeat that one commodity cannot be controlled and the other left untouched. If the administration does not see fit to use the machinery which the Congress has authorized for that purpose, then we can mandatorily provide for such controls.

Fourth. We can and must see that the necessary funds are forthcoming for the financing of the necessary guns, planes, bombs, and ships.

Fifth. We must see to it that all of the resources of this great country are channeled into a wartime economy in an all-out effort to make of this country a military fortress. For, surely, all of us must now realize that firmness and strength are the only language that the Kremlin understands.

Sixth. Our internal security must be further supplemented and alerted. There must be no further political affiliation in this country with the leftists, the pinkos, and the Communists.

Seventh. If your apprehensions of the situation are as grave as mine, then I am sure that you, on both sides of the aisle, will agree with me that there is no place in the program for either so-called progressive or socialistic experiments in the Nation's economy. The so-called more abundant life theory must yield to the practical realism of the dangers to survival. If anyone's standard of living, whether in this or foreign countries, is to be elevated, let it be deployed to your and my boys and the millions of other sons of America who are and will be called upon to bare their breasts to the common enemy.

Mr. Speaker, if that terrible weapon of destruction, the atomic bomb, must be

dropped, let it be dropped at headquarters, at the Kremlin, and not upon the heads of the puppet satellites, who only do their master's bidding.

Finally, my colleagues of the American Congress, I still adhere to the theory that the masters of the Russian people still do not want any all-out war. They are no better prepared for such a devastating spectacle than are we. They are still about their task of bringing about chaos, confusion, infiltration, and sabotage, using the puppets of their satellite governments to affect their end—world revolution. Of course, they will fight if necessary, but not as long as they can pull strings and gain the same end through these puppet governments. I repeat what I have pointed out on this floor on several occasions heretofore that we cannot afford to permit Russia to always call the signals and permit ourselves to be spread out so thinly all over the world that we will be strong enough at no point to defend ourselves and our cause. It is to be hoped that out of these conferences a definite political as well as military policy will be agreed upon. But, again, regardless of what those decisions are, there is nothing to offer the people of the United States and free peoples everywhere but the offer made the British people in another great crisis when Winston Churchill, the greatest Britisher of them all, told his people that he had nothing to offer them but "blood and sweat and tears." Surely we in America, living under the most perfect embodiment of human government ever conceived by the minds of men, with a glorious heritage and rich patriotic ancestry, will arise to meet the occasion.

The SPEAKER. The time of the gentleman from Mississippi has again expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the gentleman from Mississippi has explained the rule. It is a closed rule. No one but the Committee on Ways and Means can offer amendments. One motion to recommit is permitted, and it is my understanding that such a motion will be offered.

We have no objection to the rule, but the members of the Committee on Rules were considerably surprised when the members of the Committee on Ways and Means came before our committee without a printed bill; and they came in with most of us having the knowledge that they had held but 20 hours of executive hearings on this bill, which consists of 146 pages and has scores and scores of sections. Many tax experts were denied the opportunity to be heard.

There is no disposition on the part of any of us to fight the rule, but I hope the Committee on Ways and Means will in the future come in with bills that at least they themselves have read.

We all know that we face the worst crisis in our history. I think we are all agreed that something must be done to halt inflation. We all agree that something must be done to bring in additional revenue. Something must be done to take excess profits out of war.

I understand the minority is going to offer a motion to recommit which will

provide for obtaining more revenue than this bill and will give more equity to the smaller corporations, the small corporations that have been recently formed with the purpose of helping the war effort.

Like my good friend the gentleman from Mississippi [Mr. COLMER], I want to touch briefly on the crisis facing us today and which I believe, and which I am sure you believe, is probably the worst in the history of our country. Two or three hundred thousand of our boys are fighting in Korea. We are now bringing in a tax bill that will be confiscatory in its effect on the American people.

I am sure all of you will recall that when the United Nations was brought forth certain remarks were made in the other body, and I personally in the last few days have read those remarks, to the effect that in the formation of the United Nations all nations would have certain responsibilities. When anybody started an aggression we would have 50 nations under 50 flags fighting side by side on the front. Yes; we remember the gentlemen in the other body coming forth with the statements during the debate on the United Nations that we were all going to fight the aggressor with equality. One nation was not to furnish 50 men while all the other nations furnished 1 man. That is what is happening in Korea today.

So I say to you that the least this Congress of the United States can demand, when we are taxing our people to the limit of their ability to pay, or more, is that these nations for which we have done so much shall share this burden in a much higher degree than they have up to this moment.

We must not let ourselves forget that the Chinese people since times immemorial have been the best fighters in the world.

I am sure you all have read some Chinese history. History shows us that from the time of the Mongolians and from the time of Genghis Khan the Chinese have been fighters. That is why when the Red Army of Russia started to fight against the National Government they went north of the Great Wall of China and got the best troops. As you go south in China you find those people are not as good a fighter. Had the Reds in China started in southern China and let Gen. Chiang Kai-shek have the fighters north of the Great Wall they would have had more difficulty. But that was not what took place.

So I ask you now in all fairness to consider. Right now there are about two or three hundred thousand of our boys in Korea. They are going to fight against a million of the best fighters in the world, and they are the Chinese people north of the Great Wall. There is no question about that. Right now when the representatives of these other governments are coming here, like Mr. Attlee and so on, I would like to see this happen. I would like to see the United Nations and the Security Council say to Russia: "Now, we are going to give you a hearing. Many of us believe that you are the aggressor. You are a mem-

ber of the United Nations and a member of the Security Council. We are going to give you an opportunity to prove to us that you are not the aggressor and that you have nothing to do with this. If you cannot convince us, then you are certainly going to be read out of the United Nations."

The very idea of Russia having that great veto power and with more power than any other nation with a preferential status in the United Nations when most of the members of the United Nations say that they are the aggressors. To think that they still have that coveted position which is denied to all other nations. So I say that within the next few days the Congress of the United States in no uncertain terms should demand that the Russian Government come here and prove that they are not the aggressor nation. If they cannot prove that I think they should be read out of the United Nations. To me it is folly to have a nation which is supposed to stop aggression actually being the instrument of aggression. So I say in conclusion I believe the American people as long as they are paying these tremendous taxes toward the United Nations should see the United Nations play a bigger part in this matter in order to eliminate the slaughter of perhaps 200,000 of our young men before the zero weather in Korea is over.

Mr. COLMER. Mr. Speaker, I yield such time as he may desire to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, the events of the past few weeks have demonstrated one fact or truth, and that is that to permit the United Nations to formulate our foreign policy will prove our ruin. The policy of appeasement which we have been following for the past few years is responsible for the plight in which we now find ourselves. Therefore, I trust that the conferences that are to take place between the President and the representatives of the British Empire will not result in any further appeasement of Russia through sacrificing what is left of Nationalist China.

Mr. Speaker, this rule is to make in order the tax bill, and what we have said is, more or less, irrelevant to the question before us. In strengthening and supporting our armed services we must make tremendous expenditures. We have to have the money with which to pay the freight, and in view of the emergency before us I am for adopting a tax bill as quickly as possible and sending it to the Senate so that that body may work its will upon it in time to get a fair law before the present Congress dies.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 14 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, here we go again. History will prove the statement I am about to make—that every time Mr. Truman and this administration get messed up, which they are most of the time, they simply ask for more money, more appropriations by the billions. We appropriate, then, of course, they say, "Now we must tax. We must tax the big fellow. We must tax the rich." The facts are that the ultimate consumer pays the whole bill in the final analysis

regardless of who we try to soak. Who are we taxing if we pass this bill? We are taxing the ultimate consumer. And who are they? Well the white-collar worker and the blue denim worker plus the retired folks pay approximately 60 percent of the taxes. The farmer pays about 30 percent; and all the rest of us, including the corporations and all business and industry in America, plus folks like you and I, pay the balance of about 10 percent. Remember the ultimate consumer is the only fellow who cannot pass his tax load on to the other guy, so the ultimate consumers pay the entire tax bill in the final analysis. Oh, yes, we are going to tax the rich. England tried that. But the Socialist Party had to tell the common man in England about a year ago that there were no more rich left to tax, and so the common man, the little fellow, the laboring man, the consumers must pay the bill from now on. This party in power, the New Deal, the Fair Deal, the Socialists, or whatever you care to call them has never had a cure for anything except to spend more billions, go deeper into the red, then tax, tax. That is all they know. They have no conception of how to properly run a Republic such as ours, and the American people have finally awakened to that fact. Spend and spend; elect and elect. Well my colleagues that day is over. The day of electing spendthrifts is over. The President has asked us for \$17,000,000,000 more for defense for the fiscal year 1951. I suppose we will do about as we have done before. Give it to the reckless wasters to spend, for what?

Will they spend 82 percent for house-keeping and only 18 percent for armaments, as is the case with every dollar Congress appropriated for national defense since VJ-day? That is tragic and a crime of the highest order. I pray God that those responsible will finally be brought to the bar of justice and that no more of that kind of business will be tolerated even by the spenders and wasters in power, or is that too much to expect even while our boys are dying in Korea for lack of fighting tools, and reinforcements from our friends across the seas who talk nice about us when their hands are out, but who forget when the going is tough as it is for our boys in Korea. God help them.

Mr. Speaker, the boys who survive this war will have to pay and pay and pay, for they will be consumers too. How tragic. What a disgraceful showing. One of these fine days we will tax the homes, and the farms, and the businesses away from American people just as sure as we are sitting in this House of Representatives today, because every nation in the world that traveled the full length of the spending, wasting road we have traveled at breakneck speed during 16 of the last 18 years have all come to ruin and destruction, socialism, communism, endless strife and war. After we spend ourselves into complete bankruptcy—and uncontrolled inflation, who, I ask, is going to be the great savior of this world as far as human beings are concerned? No nation can then look to us to save them as we are trying to do; no nation in the world will have anywhere to go for aid and protection or to give them bread

to save them from communism. Mr. Speaker, the thing we should do instead of passing this bill is to send this bill back to committee and then pass a bill to rescind about \$4,000,000,000 of nondefense appropriations that we have already appropriated for the fiscal year 1951. We could go through the non-defense appropriations we have already made for 1951 and find at least \$4,000,000,000 that could and should be eliminated under present conditions. But of course the spenders in control will not do that; they will keep on appropriating and taxing and by so doing we will ruin this great free America of ours just as sure as night follows day.

Now let us take a look at Korea. There are 60 nations who are members of the United Nations; we have a war going on in Korea under the sponsorship of the United Nations. According to the newspapers the American casualties are running 200 to 1 for all the other 59 nations combined.

Mr. Speaker, the time is here, in fact past due, when the Congress must speak up. You may say we cannot do anything about it, we have a Commander in Chief who runs the show. Well, there are a lot of things the Congress can do. If necessary, we can impeach the President of the United States. That is still our prerogative.

President Truman has told Generalissimo Chiang Kai-shek that we do not want his fighting men to help our men in Korea, because the Chinese Communists would not like it. We disarmed Japan so they cannot fight unless we help them get the tools to fight with, and we have not done that, even though Japan could raise a fighting force of over a million men quickly.

Mr. Speaker, the day has come when we have to do several things. We have got to tell the President of the United States that he will have to ask Generalissimo Chiang Kai-shek to send his troops into Korea to help us; then also help arm Japan; then we must tell the rest of our vocal friends in United Nations to either put up or shut up, to either get over there with their fighting men in numbers a great deal more than a token force or we will pull our men out of Korea. Anyone who has an ounce of common sense should know by this time that our boys are being slaughtered over there because they are up against terrific odds that they cannot match.

Yes, Mr. Speaker, I sincerely believe Congress must assert itself in no uncertain terms, and do it now, because certainly Mr. Truman, Mr. Acheson, Mr. Lattimore, and their kind have made a mess of the international problem. Oh, some may say, these are times when we should not criticize, we should unite.

The American people feel now that it is too bad we did not have more fight right here on the floor of Congress years ago.

If we had even slung a few fists here in Congress years ago, and knocked a few heads together downtown, to knock a little common sense into some heads, it is very possible that our boys would not be fighting today in Korea, losing their heads and their lives. But again we are now told we must be nice while

our boys fight and die on foreign soil for the third time in 33 years. What say you America?

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. LYLE. Mr. Speaker, this rule makes in order the consideration of a tax bill—the desperate plight of Americans in Korea demands not alone its consideration, but a decision at the moment far more important.

We must speak straight to one another, for we share an unequalled responsibility. We are at war—no other word can rightfully describe the struggle of which our American troops are now engaged. We are at war with communism and its evil forces throughout the world. Tens of thousands of fine Americans have been committed to battle. They have and are fighting with a valor and gallantry unexcelled in the annals of war. At this moment our troops are in a desperate and serious military situation, and immediate action is demanded. The lives of American troops and those of our allies committed with us are precious beyond measure. At this moment let us determine that the full power, the full light, and the full strength of our great country shall be committed immediately to their aid and assistance. The luxury of half war and half peace can no longer be ours. We can ill afford at this time to re-create the past or to project our thinking into the far future. The immediate task of relieving our troops of their imminent peril is our job of the moment. We cannot sit idly by while so few make so many sacrifices. Let us from this moment forward and for so long a period as a single American life in uniform is periled by combat, dedicate ourselves and our resources to the fullest extent. Each of us, Democrat or Republican, is first an American—this is an American Congress. No one asks an American that he yield his conscience and his thought. The circumstances of today demand the fullest measure of all Americans united in a common action to back up our soldiers in Korea with every resource at our command. Let us conduct ourselves as Americans, not as partisan politicians.

The price of liberty and freedom has never been cheap. Americans have faced crisis and overwhelming odds many times and have achieved victory because we believe and stand for decent principles and precepts. We are and shall always remain stronger than any slave under any Communist dictatorship. Momentary victory may be theirs—but it will be short lived.

Mr. Speaker, I am proud that the Democratic and Republican Parties in Congress are composed of Americans. Let the world take notice here and now that we shall assume all of the responsibility consistent with victory in our present undertaking. Whatever may be the failures of our allies, the full might and forces of the United States of America is behind our boys in Korea. If they retreat, they do so with the knowledge that soon they will go forward to win, and we pray that our sacrifices here will be equal in small measure to the greatness of theirs.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. ALLEN of Illinois. First may I compliment the gentleman on his coolness in this crisis. Some of us speak without using their best judgment.

Let me reiterate what I said a few moments ago. Some have even gone so far as to suggest that we drop a bomb on the Kremlin, even while Russia is a brother member in the United Nations and officially committed to stop aggression just as much as is the United States or any other Nation. So I compliment the gentleman that he has not made that kind of suggestion, at a time when Russia is a member of the United Nations.

I think that within the next few days the United Nations should bring Russia before them and find out whether it is truly a member of the United Nations and intends to stop their aggression. Until this is done, I should dislike very much to see them start dropping bombs on Moscow.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9827) to provide revenue by imposing a corporate excess-profits tax, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9827, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. DOUGHTON. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the bill now before the House for consideration, H. R. 9827, is designed to raise additional revenue by imposing a corporate excess-profits tax.

It is never easy to prepare nor popular to present a bill increasing taxes or imposing new taxes. However, regardless of how difficult or unpopular it may be, it becomes the duty of the Committee on Ways and Means to prepare and present bills increasing revenue when the fiscal needs of the Government require such action.

There are two major reasons why the pending bill is now before the House.

First, revenue requirements have greatly increased since the enactment of the Revenue Act of 1950, which increased income taxes on individuals by \$2,500,000,000 and on corporations by \$1,500,000,000. Last week, the President requested an additional \$18,000,000,000 for the military and atomic-energy programs.

The second reason is section 701 (a) of the Revenue Act of 1950, which reads as follows:

(a) The House Committee on Ways and Means and the Senate Committee on Finance are hereby directed to report to the respective Houses of Congress a bill for raising revenue by the levying, collection, and payment of

corporate excess-profits taxes with retroactive effect to October 1, or July 1, 1950, said bill to originate as required by article I, section 7, of the Constitution. Said bill shall be reported as early as practicable during the Eighty-first Congress after November 15, 1950, if the Congress is in session in 1950 after such date; and if the Congress is not in session in 1950 after November 15, 1950, said bill shall be reported during the first session of the Eighty-second Congress, and as early as practicable during said session.

The conference report on the Revenue Act of 1950, containing the provision I have just read, was adopted on September 22 by overwhelming majorities in both Houses. In the House of Representatives the vote was 328 to 7, and there was so little opposition in the other body that it was passed without a roll call.

H. R. 9827 is the response of the Committee on Ways and Means to the mandate that an excess-profits tax bill be reported as early as practicable during this Congress.

Charges have been made that this legislation is the result of political expediency. I can only speak for myself in denying such an allegation, and I should never, myself, presume to question the motives of my colleagues—especially when all members of our committee but one, and all Members of the House but seven who were recorded voted for the legislation in which the decision to enact an excess-profits tax on corporations was made.

It has also been asserted that the pending bill was hastily conceived and ill-prepared. These are the facts:

First. The amendment directing the committee to prepare an excess-profits tax was a substitute for a floor amendment in the other body to enact an excess-profits tax without committee hearings or other committee consideration. At that time, I conferred with responsible tax leaders of the other body who advised me that an excess-profits tax would have been added to the bill on the floor, but for the assurances of early separate consideration of an excess-profits tax.

Second. On September 23, the next day after the final passage of the Revenue Act of 1950 directing the committee to report out an excess-profits-tax bill, I called a meeting of the Committee on Ways and Means to work out our schedule for preparing such an excess-profits-tax bill. It was agreed at the meeting that we should have our staff begin work immediately and that the committee would return promptly after the election to begin our hearings.

Third. Immediately I directed the staff of the Joint Committee on Internal Revenue Taxation, and requested the Secretary of the Treasury to have his staff, to cooperate in a careful and thorough study of an excess-profits tax on corporations in order that we might have information available to the Committee on Ways and Means when we reassembled on November 15 to begin work on this subject. The staffs promptly began their work and conducted a series of conferences with various groups representing all segments of industry in order to

obtain first-hand information on the problems involved.

Fourth. Starting November 15, a week after the election and 2 weeks before Congress reconvened, by sitting morning and afternoon and sometimes in continuous session throughout the day, hearings were scheduled and completed in approximately 1 week. Although witnesses were limited in the scope and length of their testimony, everyone who asked to appear was scheduled and members had full opportunity to cross-examine the witnesses. The testimony of the 100 witnesses who appeared and the statements filed have been bound in a volume of nearly 1,000 pages, which is available to the Members of the House.

Fifth. After the conclusion of the hearings, with but an intervening day for Thanksgiving, the committee began executive sessions on November 24, which were not concluded until last Friday afternoon with the reporting of this bill. During these sessions we have had the benefit of the invaluable assistance and experience of not only our own staff and the staff of the Treasury Department but that of the extremely able draftsmen in the Office of the House Legislative Counsel.

I believe, therefore, that our committee has complied fully with the legal mandate to report out an excess-profits-tax bill as early as practicable. As I have indicated, more than 2 months have been devoted by our staff and nearly 3 weeks have been consumed by the full committee in the study of excess-profits taxation, which is the sole subject of this measure, whereas other tax bills have dealt with several different kinds of taxation. It is now for the House to determine what action to take in dealing with this very important problem of the taxation of excess profits of corporations.

One of my good friends of the minority has been quoted in the press as saying:

Psychologically, this tax bill is a wonderful piece of political machinery. * * * But I defy any business in the country to operate under it.

Now, I have never been considered hostile to business. In fact, upon occasions I have been criticized as being too friendly in support of legislation helpful to business. I do think it significant that there was no testimony before our committee that a single business had failed as a result of the excess-profits tax enacted in World War I or World War II.

I have always considered the interest of business and Government as mutual and reciprocal. Government relies heavily upon the profits of business for revenue. On the other hand, the life of business depends upon the protection it receives from a strong, soundly financed Government.

In preparing the pending bill the committee has drawn extensively upon previous experience under excess-profits-tax laws which were imposed during World War I and World War II. Our staff has made a thorough study of this experience, and recommended, and our committee adopted, a number of adjustments and safeguards to provide a milder

and more moderate bill. Although this bill, H. R. 9827, in basic outline, follows the excess-profits-tax law in effect in World War II, since corporations would have the option of either a credit based on average earnings or invested capital, whichever results in the lower tax, specific provisions have been made for new businesses, growing corporations, regulated public utilities, and corporations mining strategic minerals.

REVENUE EFFECT

The pending bill would at current levels of corporate profits yield about \$3,000,000,000 a year and additional revenue can be expected if corporate profits continue to increase. Our committee believed that it was safer to proceed on the side of caution in avoiding too sudden an impact on corporate businesses which must provide our Armed Forces with much of the essential munitions and other equipment.

MAJOR PROVISIONS OF THE BILL

A. Rate of tax: The rate of tax would be 75 percent of adjusted excess-profits net income with an over-all rate limitation on income and excess-profits taxes of 67 percent. That is, no corporation would pay a total of more than 67 percent of its net income in Federal taxes and only a few of the most prosperous ones would pay that much. This compares with an 85½ percent excess-profits-tax rate in effect at the end of World War II, and an over-all ceiling of 72 percent.

B. Minimum credit: In lieu of the specific exemption of \$10,000 provided under the World War II law, the pending bill would provide a minimum credit of \$25,000. In other words, corporations with net income of less than \$25,000 a year would pay no excess-profits tax.

C. Invested capital credit: Corporations which find it more favorable to use the invested capital method of computing their excess-profits-tax credit would compute their credit as follows:

On amounts paid in for stock and retained earnings up to \$5,000,000, a rate of 12 percent would be allowed instead of the 8 percent during World War II. On amounts between \$5,000,000 and \$10,000,000, a rate of 10 percent would be allowed as compared with the World War II rate of 6 percent; and on such capital over \$10,000,000, a rate of 8 percent would be provided under this bill as contrasted with a 5-percent rate under the World War II tax. In addition, the entire amount of interest paid on borrowed capital would be allowed as a deduction, and an extra allowance of one-third of the interest paid would be granted.

D. Average earnings credit: Corporations would be allowed to select three out of four best years in the 1946 to 1949 base period, and in determining their average earnings any deficit in the three best years could be raised to zero. The comparable provision in the World War II excess-profits-tax law were much less liberal.

The actual credit would be 85 percent of the earnings in the three best years of the base period, which still would exempt from excess-profits tax an average

level of corporate profits considerably greater than during World War II.

E. Additions to capital after the base period: Under the present bill, both taxpayers using the average earnings credit and taxpayers using the invested capital credit would be permitted to increase their credits for net additions to investment made after the end of the base period.

F. General relief provisions: Under the World War II law, provision was made for general relief in hardship cases, and more specific rules for accomplishing the same purpose have been written into the pending bill.

G. New corporations: An alternative average earnings credit would be available to new corporations commencing business after 1945, consisting of the industry rate of return on invested capital in the base period.

H. Small growing corporation: Small corporations with total assets of not more than \$20,000,000 at the beginning of the base period and with a higher volume of business in 1948 and 1949 than in 1946 and 1947, would be permitted to use an alternative credit consisting of either 1949 earnings or the average of 1948 and 1949 earnings.

I. Effective date: Section 701 of the Revenue Act of 1950 directed the Committee on Ways and Means to make the excess profits tax bill effective either October 1, 1950, or July 1, 1950. The pending bill is drafted to apply to corporate profits earnings after June 30, 1950.

CONCLUSION

In normal times, I would not favor an excess profits tax law—but these are not normal times. This may, in fact, be the greatest emergency this Nation has ever faced. It may require the drastic revision of personal lives and Government activities. Our boys have been called to the service of our country. They must be provided with the needed munitions and equipment.

NEED FOR RIGID ECONOMY

The weight of military expenditures underscores the imperative necessity for complete elimination of nonessential Federal expenditures and for cutting to the bone even normally necessary Federal expenditures unrelated to the defense effort. Under all the circumstances, it would seem only fair and just that we should call upon the corporate businesses, though the taxation of excess profits derived from the defense program, to carry a little heavier load than those not enjoying such profits.

To those who contend that an excess-profits tax would encourage wastefulness and extravagance on the part of businessmen, I answer that I have a higher estimate of the patriotism of the corporate officials of our country. Those able to pay taxes to help provide the needed munitions and equipment—those making excess profits—should not only feel it their duty but their privilege to contribute to their Government when our national security is at stake. While there have been other occasions during my service in Congress when our liberty and freedom have been threatened, the present situation indicates that our national safety may now be in greater dan-

ger than ever before. I have every confidence that the businessmen of the country will be willing to join once again in sharing substantially heavier tax burdens to strengthen, preserve, protect, and defend our sacred and priceless heritage.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from North Carolina.

Mr. DEANE. I would like to take this opportunity to express my personal appreciation of the distinguished chairman of the Committee on Ways and Means, the dean of our North Carolina delegation, for the splendid statement which he has just made.

Mr. DOUGHTON. I thank my friend for his most generous words.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I would like to ask the distinguished chairman of the Committee on Ways and Means if it is the plan of the committee, so far as he can see at the moment, to keep this formula in operation for the next, say, 5 or 10 years, or does the committee have in mind revising it after we get a little bit further into this new over-all program?

Mr. DOUGHTON. My good friend knows that the Congress will be constantly in session as long as this Government stands, under the Constitution, and that any time a termination of this law is expedient, or a modification of the law is demanded by changing conditions, why, of course, the Congress would deal with it then. This emergency may continue many, many years. We hope it will not. But we are very much alarmed about the situation, and to provide a termination date now when we do not know anything about the probable termination of this emergency, I feel would not be the safe thing to do.

Mr. CRAWFORD. What I had in mind was this. Everyone, substantially, knows who is going to constitute the next Congress. We certainly know, if we know anything, that many additional billions of dollars of revenue will have to be raised in one way or another. I think we know, if we know anything, that this is not a short-term proposition that we are heading into now. My concern is this: Does the Committee on Ways and Means, as it is constituted, looking forward to the next 2 years, have in mind letting this remain, if it becomes law, as an approach from an excess-profits-tax standpoint, or do they have in mind, perhaps, revamping the whole revenue-gathering program sometime during the next 12 to 18 months?

Mr. DOUGHTON. There is no doubt in my mind, although I cannot speak for the committee, but that we will have to take another careful look at the entire tax structure in the next Congress. Of course, membership on the committee changes from one Congress to another, and conditions change. In dealing with our grave tax problem, which our committee must do, we shall need to know, first, the fiscal needs of the Government, as determined by the Committee on Appropriations. We have no control over

them, but we do the best we can to meet the fiscal needs of our Government.

Mr. CRAWFORD. I thank the gentleman.

Mr. REED of New York. Mr. Chairman, I yield myself 35 minutes.

Mr. Chairman, on November 15 President Truman submitted to the Ways and Means Committee his recommendations for excess-profits-tax legislation. For 6 days thereafter our committee was engaged in limited public hearings on the merits of that proposal.

It became quite obvious at the outset of the hearings that the President's fiscal advisers were not in full accord with his recommendations. The Secretary of the Treasury Snyder, chief spokesman for the President, was openly accused of lukewarm support and insincerity by one of the major proponents of an excess-profits tax, namely, the CIO.

When the Republican minority on the committee sought the viewpoints of the Commissioner of Internal Revenue and of the excess-profits-tax counsel regarding the President's proposal the Democratic majority voted down the request.

Obviously, our Democratic colleagues feared that the Commissioner of Internal Revenue and also the excess-profits-tax counsel would show as little enthusiasm for the proposal as did Secretary Snyder.

When the Republicans sought to consider other methods to finance our defense efforts we were also voted down by the Democratic majority.

The position was taken erroneously by the Democratic majority that the committee had a mandate to report out only the type of excess-profits tax recommended by the administration, regardless of whatever adverse effect such a type of tax might have on the national economy and our preparedness program.

And, so, Mr. Chairman, the hearings were confined to testimony on the type of excess-profits tax recommended by the President.

With a few exceptions every witness appearing before the Ways and Means Committee during its 6-day open meetings condemned the type of excess-profits tax prepared by the administration as unsound, discriminatory, inflationary, and highly detrimental to the welfare of our Nation.

These witnesses, distinguished and successful businessmen from all parts of the United States, expressed with unanimity their willingness to pay their full share toward the additional all-out defense costs, but they desired to do so in a manner that would not jeopardize the economic structure of the country.

Chief among those favorable to the excess-profits-tax proposal of the President was the CIO.

Mr. Chairman, there is little doubt in my mind that in preparing its tax recommendations to be submitted to the Congress, President Truman ignored the advice of his own fiscal experts—including the Secretary of the Treasury and the Internal Revenue Commissioner—and instead adopted the tax program of the CIO.

I believe that the program the Ways and Means Committee had under consideration is the CIO program. This arrogant labor organization has been

propagandizing for years for a permanent excess-profits tax, despite the fact that such a tax would be highly inflationary and harmful to the Nation. The CIO bosses believe that the wastefulness and extravagance engendered by the excess-profits tax would be to their distinct selfish advantage.

The American people had valid reason to expect that after the last election the unholy alliance between the White House and the CIO would be terminated. Unfortunately their expectations have not been realized. Presumably the CIO still calls the tune and the President dances. This situation is cause for genuine alarm in these dangerous times.

Because of tremendous opposition to the President's type of tax program the Republican members of the committee sought to clarify the so-called mandate of the Congress respecting tax legislation.

It was our position that the Ways and Means Committee was not confined exclusively to drafting and reporting an unsound excess-profits-tax proposal. We believe that the congressional directive gave to the Ways and Means Committee discretion in this matter.

The Republican minority sought by a joint resolution to have the House redefine its directive. I offered a joint resolution that would have instructed the Ways and Means Committee to report out a bill raising the necessary revenue by means of a sound excess-profits tax and/or a corporation defense tax which would successfully combat inflation and safeguard our economy.

The joint resolution was ruled out of order by the Speaker. The President's proposal that our committee has had under brief consideration and which is here for House action is unsound tax legislation.

We Republicans deplore the fact that such an unsound piece of tax legislation should be presented here for action when the necessity for sound legislation to build up our defense forces in the face of ruthless Communist aggression is so essential.

We Republicans have long recognized the importance of making our Nation militarily strong. It was the Republican Eightieth Congress which proposed a 70-group air force. But as you know, Mr. Speaker, the President refused to build up such a force. We have consistently and constantly championed military preparedness. Our record in opposition to communism at home and abroad is there for all to see.

The question in this hour of peril is, Will the Democratic majority join the Republican minority in repudiating the inflationary CIO-tax program and enact instead a sound anti-inflationary tax bill that will raise the necessary revenue to support our Armed Forces?

We cannot accomplish the task that confronts the Nation by accepting the tax program recommended and sponsored by the CIO.

Mr. Chairman, this bill—H. R. 9827—it is said, meets the mandates of the Congress, expressed in section 701 of the Revenue Act of 1950. It does no such thing.

It is presumed to impose a corporate excess-profits tax. It does no such thing.

Its justification is based upon the costs of our accelerated defense program. There is not such basis.

It is alleged that it strengthens the fiscal position of the Treasury. It does no such thing.

It is claimed that it will check inflation. It will do no such thing.

It is asserted that it will aid our national-defense program. It will do no such thing.

This bill is fathered and conceived by hysteria. It is a cross between hysteria and haste. It should be named "Hypocrisy."

If it is passed by the House of Representatives, it will be passed in ignorance. Not one Member of this House of Representatives will understand its provisions. Not one of the Democratic members of the Committee on Ways and Means understands its provisions. Its policies have never been adopted by the Committee on Ways and Means. Its provisions have never been approved by the Committee on Ways and Means. It has not even been read by the Committee on Ways and Means, sitting as a committee. I doubt if it has been read in toto by any member of the Committee on Ways and Means, sitting alone. I know it is comprehended by no one. The combined brains and abilities of all the official experts put together cannot construe it, let alone justify it. It is a shameful example of the reckless regimentation of our legislative processes. It is a shuddering example of the House of Representatives of the United States of America shackled to a dictatorship. It is dictatorship delegated to experts.

This bill is the consequence of a cry of haste, haste—when there is need for care. It is a terrible illustration of how the fundamental policies of the present administration are formulated and adopted. We see now the results of international policies conceived in haste and executed in confusion. We see now the consequences of past fiscal policies adopted in ignorance and administered blindly and blunderingly. Fiscal policies should be above and beyond partisan politics.

Every policy of this administration should be reexamined. I am a reexaminist. I am also an examiner. The Republican Party is a reexaminist party. And it is an examiner party. The leaders of the Democratic Party fear, and therefore oppose, reexamination. But only a moron fails or refuses to reexamine—unless perchance we also include the headstrong boy who is too stubborn to reexamine. And now the leaders of the Democratic Party are determined to prevent examination. Why? What is it they fear? What this country needs today is a reexamination of every existing policy of the present administration and an examination of every proposed policy of the present administration: Common sense and mature consideration. Judgment applied to known facts. Careful examination and analysis. The more exacting the examination the more simple the reex-

amination. Sound policies—with no apologies. Policies of which we can be proud—with no apologies. Enforceable policies—with no apologies. Policies upon which our future will be fashioned—with no apologies. And I remark in passing that there are no apologies adequate for the mess we are in today. The Republican Party can repeat and repeat "We told you so." But that does not remedy the mess.

"Make haste to waste" is the program of the present Democratic Party. "Nothing succeeds like excess" seems to be the motto. A Democratic Party which has abandoned all democratic principles and processes should abandon its name or be deprived of it.

MANDATE OF THE CONGRESS

Section 701 of the Revenue Act of 1950 was adopted by the Congress after much debate. It was based upon the so-called George-Millikin substitute for the amendment proposed to the bill by Senator O'MAHONEY, which, he claimed, would impose an excess-profits tax upon corporate earnings. The O'Mahoney amendment was admittedly designed by its sponsor and advocates to limit profits, not to tax them. It was based upon the policy that its sponsors and advocates could and would determine what they thought to be reasonable profits and that they would limit profits to the amount so determined. Under no circumstances would they permit profits to increase. It was not directed toward profits on war or defense contracts. It was not designed to touch the profiteer. Growth, progress, brains, ability, increased capacity, increased volume, increased efficiency, increased sales, increased investment, increased inflation would be disregarded—perhaps I suppose because they would be prohibited.

But the O'Mahoney amendment was defeated and the so-called George-Millikin substitute was adopted by the Senate. It was adopted by the House of Representatives on September 14, 1950. With a slight change in phraseology, it was then incorporated in the Revenue Act of 1950 which became a law on September 23, 1950.

It will be noted that section 701 (b) directs the Joint Committee on Internal Revenue Taxation to make a full and complete study of the problems involved in the taxation of excess profits accruing to corporations as the result of the national-defense program in which the United States is now engaged; and to report the results of the study to the Committee on Ways and Means and the Committee on Finance. These are the profits that were to be taxed under the mandate to the Committee on Ways and Means. The Joint Committee on Internal Revenue Taxation has made no such study and has made no such report. But it is admitted by the Secretary of the Treasury, speaking for the administration, by the experts of the Treasury who have compiled copious statistics, by the staff of the joint committee, and, I am confident, even by the chairman and the Democratic members of the Committee on Ways and Means, that there are

now no "excess profits accruing to corporations as a result of the national-defense program." On the contrary, our national-defense spending during 1950 is less than our national-defense spending during 1949. We have had no facts submitted to us and we have had no estimates made with respect to excess profits accruing to corporations as a result of the national-defense program during 1951. However, it would seem from the present scheduled procurement program of the Defense Department for the calendar year 1951—which we insist be stepped up before it is too late—that there could be no excess profits accruing to corporations as a result of the national-defense program during 1951. At the present time, we Republicans do not know. The administration does not know. The Congress does not know. Is the Democratic Party afraid of the facts? Has the Democratic Party not yet formulated its apologies for the lack of a program? Is this why the Democratic members of the Committee on Ways and Means delegated to the Treasury the duty of writing this bill—an opportunity the Treasury has been seeking for many, many years.

Mr. Chairman, the Committee on Ways and Means has deliberately failed to meet the mandate of the Congress. It has deliberately disregarded the mandate of the Congress. The administration has whipped it into a frenzy and into complete submission. The Republican members of the Committee on Ways and Means do not submit so meekly. We openly challenge the chairman of the Committee on Ways and Means and each Democratic member of the committee to explain each of the basic policies incorporated in this bill and to state when that policy was adopted by the Committee on Ways and Means. We do not ask him to explain each provision of the bill; that we know he can not do. But we tell you that there is policy after policy after policy after policy incorporated in this bill and never even submitted to the committee for consideration, let alone being adopted by the committee.

If the Democratic members of the Committee on Ways and Means desire to delegate to the Treasury the power to tax, let this issue be raised squarely and openly. Let it be faced frankly. Let the voters decide. A revolution was fought over a similar issue. Our forefathers were not afraid. Let the Democratic Party hang its head in shame as it abandons the principles for which our forefathers fought. But let it confess to you and to the public that it is incompetent to exercise the greatest power ever bestowed by mankind upon its representatives—the power to tax.

I cannot believe that the House of Representatives so interprets its mandate.

COMMITTEE PROCEDURE

Mr. Chairman, I propose that the House of Representatives itself determine upon the propriety of the procedure adopted by the Democratic members of the Committee on Ways and Means. Except for the representatives of the Treasury Department, not one single witness was given a real oppor-

tunity to be heard before the committee. Witnesses experienced in the problems of taxation and experienced in the principles of Government finance appealed to be heard: "Fifteen minutes and your time is up."

Witnesses knowing the effect of increased taxation upon their affairs appealed to be heard: "Fifteen minutes and your time is up."

Witnesses who appreciated the effect of the last excess-profits tax appealed to be heard: "Fifteen minutes and your time is up."

Witnesses fearing and dreading the effect of the so-called excess-profits tax principles advocated by the Secretary of the Treasury appealed to be heard: "Fifteen minutes and your time is up."

Gentlemen of the House of Representatives, we challenge you to explain in 15 minutes any one of the 146 pages of this bill. We advise you not to accept the challenge.

We challenge you to discuss intelligently in 15 minutes the policies involved on any one of the 146 pages of this bill. We advise you not to accept the challenge.

We challenge you to interpret in 15 minutes any of the sections of the excess-profits tax in force during World War II. We advise you not to accept the challenge.

We challenge you to explain in 15 minutes the administration of any one of the sections of the excess-profits tax in force during World War II. We advise you not to accept the challenge.

We challenge you to explain in 15 minutes the administrative difficulties and problems involved in any one of the sections of the excess-profits tax in force during World War II. We advise you not to accept the challenge.

We challenge you to set forth in 15 minutes—not to discuss, but merely to set forth—the policies involved in financing the \$52,000,000,000 of Government debt maturing within the next 12 months. We advise you not to accept the challenge.

We challenge you to set forth in 15 minutes—not to discuss, but merely to set forth—the problems involved in servicing the \$257,000,000,000 public debt. We advise you not to accept the challenge.

We challenge you to let your imaginations wander over the problems involved in financing the national defense program upon which we are now engaged and to give us the results in 15 minutes. We advise you not to accept the challenge.

Scores of witnesses, able witnesses, experienced witnesses, witnesses with facts, witnesses with judgment, witnesses with common sense, witnesses competent to assist the Committee on Ways and Means—all were denied a reasonable opportunity to be heard. And the committee was denied the opportunity to hear them. They were limited not only in time but in subject matter.

Is this the procedure contemplated by the Congress in its mandate to the committee? Is this procedure approved by the Democratic Party? Is this the procedure we are fighting to preserve? Is this the procedure of a democracy? Let

the Democratic leaders answer. The leaders of the Republican Party will tell you that this is not the procedure of a republican form of government.

Let me discuss further the procedure adopted and imposed by the Democratic members of the Committee on Ways and Means.

Following the close of the hearings, the committee went into executive sessions. For a day or two we made progress. A few problems and policies were discussed and debated. They were adopted or rejected by majority vote. They were adopted or rejected upon their merits as each individual Member of the Committee determined for himself. And then something happened.

Apparently the policies and principles so agreed upon were not to the liking of the administration. Apparently they were not to the liking of the CIO. Apparently they were not to the liking of the Democratic Party. Apparently they were not to the liking of a majority of the Democratic Members of the Committee on Ways and Means—even though the adoption of these principles and policies was possible only by the combined vote of a few of the members of the Democratic Party and the Republican members of the Committee on Ways and Means. Out came the whip. The lashes were applied. Secret sessions were held. By a vote of a majority of the Democratic members of the Committee on Ways and Means, certain of the Democratic members of the Committee on Ways and Means were deprived of the privilege of voting according to their own judgment and the dictates of their own consciences. Caucus rules were called upon. Each of the Democratic members of the Committee on Ways and Means was bound by the majority vote of his own party. He forsook his constituents. He abandoned his duties, his privileges, his responsibilities. To the extent that the policies and principles appearing in this bill were considered by the Committee on Ways and Means, they were approved and adopted by a minority of the committee. The Democratic leaders on the Committee on Ways and Means did not dare permit a majority vote.

And thus this bill was born—never seen by the Committee on Ways and Means, never read by the Committee on Ways and Means, never adopted by the Committee on Ways and Means, and its provisions unknown to the Committee on Ways and Means.

Is this the procedure contemplated by the Congress in its mandate to the committee? Is this procedure approved by the Democratic Party? Is this the procedure we are fighting to preserve? Is this the procedure of a democracy?

PROCEDURE OF THE HOUSE OF REPRESENTATIVES

This bill was introduced, it is said, on Friday of last week. Let us not deceive ourselves. The chairman of the Committee on Ways and Means threw a dummy into the hopper. But there was no bill. The staff of the joint committee and the staff of the Legislative Counsel's office, having worked feverishly and all day and all night for several weeks, worked feverishly for one more day and

night. Finally the draft prepared by them, with policies and principles dictated in large part by the staff of the Treasury, was sent to the Government Printing Office. The bill was printed and became available Saturday morning. One hundred and forty-six pages of it.

The bill was reported on Friday—unseen, unread, unknown. The Democratic leaders of the House of Representatives ask you to discuss and to debate this bill, to understand it, to adopt its policies and principles, to approve its provisions, and to pass it in 2 days.

Let us not deceive ourselves. And let us not deceive the public. If there is one man among you who has read this bill, let him stand and be counted.

I tell you frankly that I have not studied it as it should be studied. The best that I have been able to do is to attempt to consider a few of its policies and principles. Most of those I have seen for the first time. They were not presented to the Committee on Ways and Means. They were not adopted by the Committee on Ways and Means.

The majority report of the Committee on Ways and Means became available for the first time this morning. If there is a man among you who has read the report—I do not ask that he claim to understand it—let him stand and be counted. I have had no chance to study it. The most that I have been able to do is to examine portions of it. I have attempted to read its discussions with respect to a few of the more important disclosed policies and principles embodied in this bill. No one could even begin to pick up the undisclosed policies and principles embodied in this bill.

Let the Democratic members of the Committee on Ways and Means acknowledge responsibility. Let the Democratic leaders of the House of Representatives acknowledge responsibility. Let them acclaim, approve, and adopt this bill and all its policies and principles and all its provisions. Let them assume and acknowledge responsibility. But do not let them deceive you. Do not let them deceive the public. Do not deceive yourselves, and do not attempt to deceive the public. Not one of you knows or will know what he is doing.

Is this the procedure contemplated by the Congress in its mandate to the committee? Is this procedure approved by the Democratic Party? Is this the procedure we are fighting to preserve? Is this the procedure of a democracy?

INFLATION

The No. 1 enemy of the people of the United States today is inflation. The No. 1 criminal at large in the United States today is that group which has brought inflation upon us, knowingly or ignorantly, intentionally or innocently. That group consists solely of the leaders of the Democratic Party.

That group has given us a 50-cent dollar. That has robbed every citizen of the United States of one-half of his savings, one-half of his home, one-half of his insurance.

That group has doubled the cost of living in the United States. In many fields, costs have more than doubled.

That group has made it impossible for the citizens of the United States to save for the future.

That group is not yet satisfied. It does not intend to stop at a 50-cent dollar. And it dares not tell us how much further it intends to degrade and cheapen it.

The 50-cent dollar was given you by the leaders of the Democratic Party. It was given you over the opposition of the leaders of the Republican Party. The leaders of the Republican Party tell you today that regretfully and unfortunately they cannot restore the value of the dollar to you. Once degraded, it cannot be restored. The apologies of the Democratic Party will not do so. The excuses and the explanations of the Democratic Party will not do so.

But the leaders of the Democratic Party tell you that more inflation lies ahead—more destructive, more dangerous, more damaging, than the inflation of the past. The leaders of the Republican Party are crying "Wolf, wolf"—because there are wolves at your door, presently disguised, perhaps, but no less dangerous. We tell you, first, that the reckless fiscal policies of the present administration must be abandoned. We tell you, second, that the causes of inflation must be ascertained. We tell you, third, that inflation must be stopped.

Inflation is a careless, ruthless thing. It listens not to nice-sounding phrases. In the early days of its life, its breath is sweet and alluring. Yes, even intoxicating. It conceals itself from sight. It refuses to talk. It publishes no vital statistics. Its birth, its growth, its strength, are unrevealed and unreported. It hides itself in the political philosophies of the times. But its roots are entwined in fiscal policies. Its tentacles are firmly enmeshed in the present and past policies of the Democratic administration.

The leaders of the Republican Party say: "Let's try to kill this beast. If we cannot kill it, then let's stunt and stop its growth."

But the Democratic members of the Committee on Ways and Means bury their heads in the sand. They have made no effort to get the facts upon which inflation is thriving. They have made no effort to examine or to reexamine fiscal policies of the present administration—although they are charged with responsibility for them. They have made no effort to ascertain those policies; to have them stated, discussed, reviewed, and debated. They have even refused to attempt to find out what is behind the fight between their own Federal Reserve Board and their own Treasury Department.

The Republican members of the Committee on Ways and Means refuse to be blindfolded. We refuse to accept this leadership or lack of leadership. We want the facts upon which inflation is founded. We insist that inflation be stopped.

What has all this to do with the bill pending before you? Not one single witness before the Committee on Ways and Means was permitted to discuss fiscal policies and principles inherent in the defense program. Not a single witness

before the Committee on Ways and Means denied that an excess-profits tax was inflationary. Every witness before your committee to the extent that he had an opportunity stated that an excess-profits tax was inflationary.

"Haste to make waste" is the program and the policy of the Democratic members of the Committee on Ways and Means.

The Republican leaders of the Committee on Ways and Means caution you: Inflation leads to a dictatorship; a dictatorship leads to communism; communism leads to aggression.

The Republican leaders of the Committee on Ways and Means caution you: Inflation is a sign of weakness; weakness is the necessary consequence of its blood-sucking and strength-sapping tactics. A national-defense program founded upon weakness should never be begun.

The leaders of the Republican Party caution you: Are you not now following the precise policies which the Communists would like to have you follow?

CONSEQUENCES OF DEMOCRATIC POLICIES

The horrible mess we are in today is pictured in part by the following factors:

Our public debt today is \$257,000,000,000—and the Secretary of the Treasury acknowledges that he is concerned.

We have had 16 consecutive years of deficits since the Democratic Party came into power—except for the 2 years of surpluses—totaling more than \$9,000,000,000—when the Republican Party was in control of the Eightieth Congress.

According to the Secretary of the Treasury we will have a deficit of about \$2,000,000,000 this current fiscal year—and we have not begun to finance the national-defense program.

Individuals are carrying an income-tax load which is practically at the peak they were carrying during the war, and we have not begun to finance the national-defense program.

Corporations are carrying normal tax burdens never before dreamed of and we have not begun to finance the national-defense program.

Excise taxes imposed as temporary taxes are still on the books today and we have not begun to finance the national-defense program.

There is virtually no such thing today as venture capital. Most of its sources have dried up and disappeared. What capital remains does not dare venture and our officials seem to be surprised at the increase in bank credit.

The tremendous industrial expansion since World War II has been financed largely through borrowing and our officials are concerned over expanding bank credit.

Our deficits have been financed largely through commercial banks and our officials are concerned over the increase in bank credit.

We have not begun the industrial expansion necessary for the national-defense program and everyone should be concerned about how it is to be financed.

We have spent over \$100,000,000,000 on our military since the end of the hostilities of World War II and we are told that the Korean conflict has exhausted all our military supplies and equipment.

We are attempting to support a large portion of the so-called non-Communist world and we cannot support ourselves.

There is a woeful lack of perspective.

PROBLEMS FOR TODAY AND TOMORROW

Let me ask the chairman of the committee on Ways and Means and the leaders of the Democratic Party of the House of Representatives and the leaders of the Democratic administration the following:

First. When does our accelerated national-defense program begin accelerating?

Second. What will be spent this fiscal year?

Third. What might be spent next fiscal year?

Fourth. What is the aggregate cost of placing our military in a position to defend the United States against aggression?

Fifth. What will it cost if we are embarked upon the policy of attempting to protect the entire world from aggression?

Sixth. How would each of these costs be financed?

Seventh. How much can be saved annually in a bona fide effort to tighten the belt on nonmilitary expenditures?

Eighth. How much must the productive capacities of industry be expanded to meet the demands of the national defense program?

Ninth. When will this expansion begin and how long will it take?

Tenth. How will the costs of this expansion be met?

These are only a few of the more important questions which the leaders of our Government should ask and answer. So far as I know, the leaders of the Democratic Party have not even asked them as yet. I doubt if they have seen the problems. I know they have not answered them.

And yet we are asked to devise and adopt a tax program to meet the increased costs of defense, to enable the Government to maintain a strong financial position and to tax the high profits resulting from the defense program. I am quoting from the statement of the Secretary of the Treasury to the Committee on Ways and Means on November 15, 1950.

THE PURPOSES OF AN EXCESS-PROFITS TAX

The Republican members of the Committee on Ways and Means accept the mandate of the Congress. The purpose of an excess-profits tax is to tax excess profits accruing to the corporations as a result of the national defense program. The Republican members of the Committee on Ways and Means accept Secretary Snyder's definition of "excess profits" as being "high profits resulting from the defense program."

THE PURPOSES OF THE PENDING BILL

The bill now pending before you has no such purposes. It is expressly designed to impose confiscatory rates upon all profits. It makes no effort to segregate normal profits from excess profits.

It makes no effort to limit its confiscation to excess profits.

The Republican members of the Committee on Ways and Means—and I think that several Democratic members of the Committee on Ways and Means would join us—believe that this bill will prevent progress; discourage efficiency; prohibit necessary expansion; and adversely affect, most seriously, the national defense program. We say to the Democratic leaders that they must acknowledge the purposes of the bill and assume full responsibility for them.

THE BASE PERIOD

The bill specifies that the base period shall be 1946, 1947, 1948, and 1949.

Everyone knows that these years were in many respects unusual and eccentric. They include periods of reconversion, periods of prolonged strikes. No industry is comparable with any other industry during this period. And members of each industry felt highly fluctuating results. Some earned high profits; some medium profits; some no profits; and some had losses during one or more of these years. In fact, some had losses during every one of these 4 years. Many had declining profits throughout the 4 years. Many were embarked upon tremendous experimental programs and development programs costing huge sums of money and producing no income during these 4 years. And above all, industry was spending \$100,000,000,000 in expansion with little or none of the income from the expansion realized during these 4 years.

Having specified the base period years, the bill then says the taxpayer may select three out of four of them. Of course, this rule helps, but what about corporations with declining earnings; with losses during 2 or 3 or all 4 of the years of the base period; with extraordinary research and development costs; with no income from expanded capacities?

The Republican members of the Committee on Ways and Means have been denied the time required to develop a satisfactory solution. We have had no opportunity to ascertain the facts. Analysis is necessary. Examination and reexamination are required. Policies and principles must be formulated only after a full and complete study of the problems as directed by section 701 (b) of the Revenue Act of 1950.

The House of Representatives should not be called upon to consider a makeshift program, a disguised program, a misnamed program, a misleading program.

THE 85-PERCENT RULE

Having resorted to the arbitrary base period rule just explained, then say the Democratic members of the Committee on Ways and Means: "The simplest, fairest, and most certain method of determining normal profits is to subtract 15 percent."

The Secretary of the Treasury recommended that the average be discounted 25 percent. He stated frankly that the justification for the suggested 75-percent rule was precisely the same as the justification for the 95-percent rule of World War II's excess-profits tax. But I am confident that the Democratic

members of the Committee on Ways and Means know better than to place the justification for their 85-percent rule upon this ground.

The best analysis of the effect of the 85-percent rule which I have seen is an editorial in the New York Times of November 22, 1950. I set it forth in full:

LABOR AND THE EPT

It is difficult to believe that spokesmen for the A. F. of L. and the CIO can really be as naive in economic matters as their testimony before the Ways and Means Committee on the administration's proposal for a corporate excess-profits tax would seem to suggest.

It is only a few weeks ago that Congress enacted the Defense Revenue Act of 1950. That measure increased the corporation income tax to 45 percent, which compares with peak level of 40 percent reached during the Second World War. The administration is now proposing to superimpose upon this what purports to be a wartime excess-profits tax. We use the phrase "purports to be" advisedly, because a true war-profits tax stops with the laying of a heavy impost upon the temporary windfall profits deriving from war, or all-out preparation for war. The plan offered by Secretary Snyder goes far beyond this. It would assume, arbitrarily, that all profits over and above 75 percent of the 1946-49 average were war profits, or rearmament profits, and would tax such excess at the steep wartime rate of 75 percent.

Officials of the A. F. of L. and CIO told the Ways and Means Committee that they were all for such legislation. It was eminently fair, they said, and would be a great help in fighting inflation. Their only criticism of the program, in fact, was that it did not go far enough. Spokesmen for the CIO recommended that instead of 75 percent the excess profits tax rate should be 85 percent.

Well, it makes a difference, of course, whose ox is gored. But, if it is fair to treat the owners of business in this way, tax-wise, then why not the wage earner? Let us see how the principle would look in operation if it were applied to wages. The average weekly earnings of factory workers at the time of the Korean invasion was \$58.85. Let us assume that, instead of freezing wages, we were to say that all excess wages resulting from the defense effort should be taxed at a special emergency rate of 75 percent. Now, let us proceed one step further, and introduce the device which makes the administration EPT something quite different from what it purports to be. Instead of applying the new tax on wage income to everything above the level of July 1, 1950, this would make it effective against all wages above 75 percent of figure. Seventy-five percent of \$58.85 would be \$44.13. If we thumb back through the records we shall find that the month when weekly wages last approximated this figure was August 1946. In other words, if the principle of the administration's EPT were generalized to cover all income it would mean that the wage earner, in addition to personal income taxes would have to pay the Government 75 percent of everything he earned over and above the figure reached in August 1946.

No one has seriously suggested a general excess-income tax, and there is no intention to suggest it here. In a war economy the EPT in the case of corporations is regarded as the counterpart of the wage freeze in the case of labor. Neither has any place in the defense effort until and unless the time comes for the application of full wartime controls. Yet, the very representatives of labor who would, and do, throw up their hands in horror at the suggestion of freezing wages apparently haven't the slightest compunction about urging that business be subjected, not only to a freezing of income at present levels

but to a drastic and thoroughly arbitrary roll-back to the level, roughly speaking, of 1946.

You will note that the 75 percent rule would take us back to August of 1946, as applied to the incomes of wage earners. According to the Bureau of Labor Statistics' Weekly Earning Series for Production Workers in Manufacturing Industries, the 85 percent rule adopted and advocated by the Democratic members of the Committee on Ways and Means takes up back to August of 1947.

THE PROBLEMS OF DETERMINING EXCESS PROFITS

The problems of determining, defining and segregating excess profits for corporations never have been fully explored. Perhaps some of them can be appreciated if we view them from the point of view of individuals. As applied to corporations, of course, the problems become more confusing and more complex. Therefore more difficult to discern and more impossible of solution. But let us attempt to become a little more familiar with a few of them by considering corresponding problems which would confront individuals. Let us assume two individuals—A and B—engaged in precisely the same endeavors, producing precisely the same products and competing with each other during 1952:

A was not old enough to have earnings during the base period. B had high earnings.

A was unfortunately sick during 3 years of the base period. B's health was normal and good.

A worked on an average of 6 hours a day during the base period. B worked on an average of 12 hours a day. In 1952, on the other hand, A is working 12 hours a day and B is working 6 hours.

A devotes himself during the base period primarily to experimental work. B's experimental work had been concluded.

A had little capacity to finance his enterprise during the base period. B was adequately and amply financed.

A expanded tremendously during the base period and his earnings from the expansion will be reflected for the first time in 1952. B had full capacity during the base period and has not expanded.

A could not reach the markets he wanted to reach during the base period but will finally reach them in 1952. B has a well-established distribution and sales system and will reach only the same markets in 1952.

A devotes considerable time, energy, ingenuity and money to developing a new product or a new process during the base period which will begin to produce income in 1952. B is satisfied with the product he is producing and enters no new field.

A's business is on the up-grade throughout the base period and this will continue into 1952. B's business is on the down-grade throughout the base period and this continues into 1952.

A keeps his plant and facilities "up to the minute." B is satisfied to ride along with what he has.

A acquires a new plant during the end of the base period which will begin to produce substantial income in 1952. B

acquires no new assets and operates only the one he had during the base period.

A is mounting the ladder of success. B is disposing of assets and preparing to retire.

I could go on indefinitely, merely contrasting the position of two individuals in the world of business. The framers of the pending tax bill have closed their eyes to every practical situation. They have closed their eyes to actualities. Knowingly or not, they have decided that all A's profits will be considered excess profits, and that none of B's profits will be considered as excess profits.

CONSEQUENCES OF HYSTERIA

Applying the principles of the pending bill to a few available statistics reveals these consequences:

First. The aggregate annual corporate profits during the best 3 years of the 4-year period—for 1947, 1948, 1949—average thirty and seven-tenths billions.

Second. Fifteen percent of this, or four and six-tenths billions, says the bill, are to be taxed at 75 percent.

Third. Corporate profits in the calendar year 1950, according to the Secretary of the Treasury, will be about \$6,000,000,000 above the 3-year average. All this \$6,000,000,000, says the bill, are to be taxed at 75 percent.

Fourth. If corporate profits decline in 1951, but still do not reach the average of the base period, all the excess will be taxed at 75 percent. If they increase in 1951, all the increase will be taxed at 75 percent.

These must be the consequences of hysteria. They can be explained in no other way.

INVESTED CAPITAL

The excess-profits tax in force during World War I defined invested capital. After years and years and years, the invested capital of the corporation subject to the act was determined.

The excess-profits tax in force during World War II had an entirely different definition of excess profits. All the experience under the World War I act was abandoned. All the work under the World War I act was discarded. Millions and millions of dollars have been and are being spent by the Government and by taxpayers in making new computations of a new invested capital for the purposes of the World War II act.

As a safeguard to the inadequacies of the average earnings basis, your committee was assured that the invested capital basis would be available. No definition of invested capital, other than the one used in the World War II act, was discussed in your committee. Your committee assumed, if it were not assured, that the definition of the World War II act would be used. Simplicity demanded it. Time prevented consideration of any change.

But what do we find?

In the bill pending before you there is an entirely new concept of invested capital. The definition of the World War II act has disappeared. Sections 436 and 437 prescribe new definitions and new concepts. What they mean and what they require, I do not know. I doubt if anyone else knows.

Where this concept came from, I do not know. What its effect will be, I do not know.

Does the chairman of the Committee on Ways and Means claim that this concept was presented to the committee, was discussed by the committee, was understood by the committee, and was adopted by the committee? If so, let him tell me when. If so, let him tell me what he understands it to mean. If so, let him explain why the departure from all past experience, from all past computations, and from all computations presently in process.

Let the chairman of the committee state whether this new concept is dictated by common sense or by hysteria.

CONCLUSION

Mr. Chairman, let us prove to the public that the House of Representatives is not dominated and controlled by the CIO. Let us prove to the public that the House of Representatives is a legislative body, an independent legislative body, exercising legislative functions. Let us prove to the public that the House of Representatives expects and insists that its Committee on Ways and Means use its own judgment. Let us prove to the public that the House of Representatives expects its Committee on Ways and Means to formulate tax policies, not to delegate to the Treasury the power to tax.

Mr. Chairman, let us recommit this bill.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. RICH. You made the statement that the members of the Ways and Means Committee, before this bill was adopted, had not even read the bill.

Mr. REED of New York. That is true. I made a motion before the committee, and it was voted down 15 to 10, that the bill be read, so that we would know what was in it. The first we saw of this bill in its complete form was Monday morning. That is, I saw it Sunday morning. The other members saw it Monday morning, but I came down here Sunday morning at 8 o'clock to see the committee bill and the report.

Mr. RICH. But we got the bill this morning?

Mr. REED of New York. Exactly.

Mr. RICH. You do not mean yesterday morning—Sunday?

Mr. REED of New York. Yes; I mean yesterday morning, Sunday. I came down at 8 o'clock to get a copy of the bill and the report.

Mr. RICH. Before the bill came to the committee. It seems to me that when you read those challenges off to the Democratic Party that somebody would have got up and met the challenge. If you challenged the Republican Party, you certainly would have got somebody to respond to you.

Mr. REED of New York. I hold those Members of the House in the highest respect, of course. I have an affection for all of them on that side of the aisle. They are fine men, but they are handicapped. We are not. They are bound by party rules and caucuses, and the administration can dictate to them. They

cannot dictate successfully to the Republicans.

Mr. RICH. If the Ways and Means Committee did not report this bill, who do you think did write the bill?

Mr. REED of New York. I think that would be a subject for future investigation.

Mr. RICH. Do you think we ought to have an investigation now to find out who, where, and how they wrote this bill, so that the public in this country could understand that the taxes that are going to be imposed upon them came from some organization other than the Ways and Means Committee of Congress?

Mr. REED of New York. I do not see any prospect of an investigation while the Democratic Party is in power.

Mr. RICH. What are you going to do when the public finds out that it is going to be taxed and taxed and taxed, and nothing has been said, to my knowledge, by the administration about economy in government. Did you have any discussion like that in your Ways and Means Committee?

Mr. REED of New York. No. Economy was not discussed. You know, that is a forbidden subject.

Mr. RICH. Do they ever talk about trying to cut down expenses, instead of trying to tax the people more?

Mr. REED of New York. The Hoover Commission report was not mentioned.

Mr. RICH. We are in bad circumstances.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman from Pennsylvania [Mr. RICH] mentioned the possibility of an investigation. Possibly we can have that investigation within the next 2 years.

Mr. REED of New York. I hope so. I thank the gentleman.

Mr. DOUGHTON. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Chairman, I might say by way of preface that this tax bill has been written in exactly the same manner in which all tax bills which have come before the House since I have been a member of the committee have been written: We have sat around, we have talked, we have listened to witnesses, we have read their statements, technical staffs have worked upon it, the Treasury has given the benefit of their suggestions, the staff of the Joint Committee on Internal Revenue Taxation has been sitting in, and we have had the benefit of all that information in preparing the bill now presented to the House.

Mr. Chairman, one of the first important measures upon which I was called to vote upon my election to Congress was the Second Revenue Act of 1940, the principal purpose of which was to impose an excess-profits tax on corporations. At the time that bill was considered by the House of Representatives, the Congress had made available for national defense, appropriations and contract authorizations amounting to the then record total of \$15,000,000,000. President Roosevelt recommended at that time in

simple but eloquent terms the enactment of an excess-profits tax as follows:

To the Congress of the United States:

We are engaged in a great national effort to build up our national defenses to meet any and every potential attack.

We are asking even our humblest citizens to contribute their mite. It is our duty to see that the burden is equitably distributed according to ability to pay so that a few do not gain from the sacrifices of the many.

I, therefore, recommend to the Congress the enactment of a steeply graduated excess-profits tax, to be applied to all individuals and all corporate organizations without discrimination.

Mr. Chairman, I was seated on the floor of this House when this message was read, and it impressed me as it impressed my colleagues on both sides of the aisle. There was no room for debate or difference of opinion. The country faced a grave national emergency, and it was the firm conviction of the great Committee on Ways and Means, of which I subsequently was to become a member, that "the rearmament program should furnish no opportunity for the creation of new war millionaires or the further substantial enrichment of already wealthy persons." In but a few short weeks in 1940, an excess-profits tax bill had been passed by both Houses of the Congress and was approved by the President on October 8, 1940.

I have recalled this legislative history because it has seemed strangely coincidental that my last few weeks as a Member of the House should have to be devoted toward the enactment of an excess-profits-tax bill. Now, instead of \$15,000,000,000 for defense appropriations, we have already under consideration the staggering total for the military and atomic-energy programs of more than \$42,000,000,000.

As President Truman wrote the distinguished chairman of the Committee on Ways and Means on November 14, 1950, in recommending an excess-profits tax to yield \$4,000,000,000 at current income levels:

Although the total amount of the expenditures which will ultimately be required for military security is necessarily uncertain, it will certainly exceed the yield of existing taxes augmented by such a profits tax.

It is clear that the impact of this spending will greatly affect and change our domestic economy. Not only must we provide to the maximum extent possible for payment of the cost of rearmament from current revenues, but we must also use all possible diligence again to try to prevent "the creation of new war millionaires or the further substantial enrichment of already wealthy persons."

When this Congress is calling men to fight and die in the service of their country, any conceivable financial sacrifice pales by comparison. Nevertheless, although there is no practical alternative, as I view it, to the enactment of the excess-profits tax, upon which the Congress has already agreed in principle, it was the responsibility of the Committee on Ways and Means to take into account the previous experience with the excess-profits tax in World War II, and to insure that mobilization is not impeded

through any unwise provisions of the tax laws.

H. R. 9827, the pending bill, would tap corporate profits to the extent of \$3,000,000,000 at current profit levels, which are now nearly 50 percent greater than they were in the first quarter of this year. The bill follows the basic outlines of the excess-profits tax in effect during World War II, but adjustments have been made which not only greatly increase the credits available to almost all corporate businesses but which especially provide special incentive to small growing corporations and to new businesses.

TWENTY-FIVE THOUSAND DOLLARS MINIMUM CREDIT

A very important provision is the \$25,000 minimum credit which insures complete exemption from the excess-profits tax for corporations earnings less than \$25,000 a year.

MORE LIBERAL EARNINGS CREDIT

Since the new base period 1946-49 includes a period of high Government spending for military and foreign defense programs, and also reflects profits from the accumulated demand for civilian goods built up during World War II, it provides a generous standard beyond which it is proper to tax corporate profits at a very high rate. Moreover, corporations would be able to choose the three best years out of four, and to raise any deficit year to zero.

INVESTED CAPITAL CREDIT

The pending bill also gives corporations the option of a credit on invested capital just as during World War II but the rates of return allowed on invested capital before application of the excess-profits tax rate are increased by approximately 50 percent.

RATE OF TAX

Another interesting comparison of this bill with that in effect in World War II is that the rate of tax on excess profits would be 75 percent, whereas the rate in effect in 1942 was 85½ percent. No corporation would pay a combined normal tax, surtax, and excess-profits tax of more than 67 percent, as compared with the 72-percent over-all ceiling in effect in World War II. Many adjustments are designed to minimize the impact of the excess-profits tax on corporations with an unusual earnings experience in the base period and to take into account additions to capital both during the latter part of the base period and after the base period.

SUMMARY

All in all, I believe that H. R. 9827 is an important addition to the Federal tax structure and that its prompt enactment will manifest our determination to keep our country fiscally strong as we gird ourselves for whatever may lie ahead.

Mr. Chairman, there has been some criticism in respect to the manner in which these hearings were conducted, because no witness was permitted to have more than 15 minutes for his prepared statement. The question I would propound is this: Was it more important to give those witnesses so much time that

we would not be able to pass a tax bill during this session, or was it more important to give them less time and see that we got out a tax bill that would raise the revenues necessary to carry on this Korean conflict?

We are all of the same stripe of Americans and I know that when the time comes those who now oppose this proposition here will still vote for the bill, because they know it is the only one that can pass during this session of the Congress, and we must raise additional revenues. We have heard very consistently during the 10 or 11 years I have been here these complaints against the enactment of legislation that has to do with taxes on corporate profits. In 1941 we heard the same complaint against the price controls where profits were increasing inordinately, and again we heard the same complaint so far as the excess-profits tax of 1940 was concerned. When we endeavored to increase the corporate tax later on, we heard the same complaint. When we sought to limit the profits in war by renegotiation, we heard the same complaint. Now those same complaints are again made by business saying that they would prefer increased corporate taxes and renegotiation as against the excess-profits-tax program here.

I want to say to you Members of the Committee that in my judgment this is the best bill that we could get out under the mandate that Congress gave us, and as a result I am sure that we will here take the first step to take the profits out of war.

At this point, allow me to take this opportunity, since this may and probably will be the last time I shall take the floor to address my colleagues, to express my gratitude for the friendship and the cooperation I have enjoyed in mutual service here, and to assure you of my continued interest as you work to strengthen and preserve the precious heritage of freedom so dear to all of us.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield to the gentleman from Massachusetts.

Mr. HESELTON. I would like to ask a question about the application of H. R. 9827 on the television-manufacturing industry. The printed hearings before the committee at pages 464 and 468 contain testimony by Mr. Sprague, industry representative, to the effect that this industry had a tremendous growth between 1949 and the middle of 1950, and that the industry would be discriminated against unless special provision was made for growth in pre-Korean war 1950. How does this bill take care of situations similar to that confronting this industry?

Mr. LYNCH. I am very glad my distinguished colleague from Massachusetts has asked that question, because it is a question that has caused considerable anxiety, I might say, on the part of the committee, and we have endeavored to work out arrangements whereby the television industry will not be hurt to the extent that they anticipate.

There are four provisions in this bill which, in my opinion, will be particularly helpful to the television industry.

The first of these is the alternative growth credit. This permits corporations meeting certain conditions evidencing growth to use 1949 earnings or the average of 1948 and 1949 earnings, whichever is higher, as their excess-profits credit in lieu of the ordinary-average-earnings credit in the three best years in the period of 1946 to 1949. The value of the television sets sold in 1946 and 1947, in terms of manufacturers' sales prices, were less than 1 percent of the value of those sold in 1949 and the value of the sets sold in 1948 was only about 40 percent of the value of those sold in 1949. As a result, allowing television companies which have grown to use 1949 earnings will be of very considerable value to the television industry.

The second of these provisions, which will be helpful to the television industry, is one which permits corporations to increase their average earnings credit at a 12-percent rate of return for one-half of the new equity capital and retained earnings put into the business in 1948 and for all of such investments in 1949. A similar allowance is made for additions to borrowed capital in 1948 and 1949. An industry which has grown as much as the television industry of necessity increased its capital during 1948 and 1949. I do not believe there is any dispute as to that.

The third provision which should be useful to the television industry is one which permits the excess-profits credit to be increased by 12 percent of new equity capital and retained earnings put into a business after 1949. Allowance is also made for new borrowed capital at a rate equal to 133 percent of the interest payments on such capital. The television industry has already increased its capital in 1950 and can be expected to increase its capital still further in the future. This means that the television industry will receive larger and larger excess-profits-tax credits as these additional investments are made.

The fourth provision which may be useful to some members of the television industry is the carry forward of losses from the base period to excess-profits-tax years. For those who have had losses, such as television broadcasters, this will prevent the imposition of any excess-profits taxes until these losses have been offset.

Does that explain the situation?

Mr. HESELTON. I thank the gentleman.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. I have been chairman of the Committee on Ways and Means for more than 15 years. I have been a member of that committee for nearly 25 years. I can truthfully say, in all sincerity, that during my long service on the committee no man has served on that committee who has rendered more intelligent, more faithful, more useful, and more outstanding service than the

gentleman from New York [Mr. LYNCH]. His leaving that committee, in my opinion, is a great loss not only to our committee but to the Congress and the country.

Mr. LYNCH. I thank the gentleman very much.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I am very glad the chairman has spoken of his high regard for our good friend and colleague [Mr. LYNCH]. I am sure the chairman spoke for every member of the committee when he told the House of the high regard in which the gentleman from New York has been held by both the Republicans and the Democrats. They all have a fondness for him. They are going to miss him very, very much. He has always proved himself to be a very clear thinker. He had a grasp of the problems before him. He was always gentlemanly. I say again with all my heart, we will miss him.

Mr. REED of New York. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I would not let this opportunity pass to say how I feel about my distinguished colleague the gentleman from New York [Mr. LYNCH]. In my long service in the House I have, of course, met all those who have been Members in that time. Naturally, every man is a man unto himself. Some scintillate with brilliance, some with oratory, and some with logic, and so forth, and so forth. The good character of some is very pronounced and well recognized. But there is one virtue that everybody does not have, and that is what we call common courtesy.

I want to say to and about my good friend from New York that although he is able and efficient and his character is unassailable, as it were, and he has these other virtues which I like so much in public men, and especially in my good friends in Congress, my friend, WALTER LYNCH, has this virtue of common courtesy. I am sure when he leaves the House of Representatives he will take with him the affection of everyone who knows him intimately. We on the Committee on Ways and Means have had many battles, of course, as the Members have in all the other committees, but nobody anywhere that I know of will have any ill feeling toward this fine gentleman, the Member from New York State, my dear friend, Hon. WALTER LYNCH.

Mr. Chairman, it is well recognized that all tax legislation is very difficult. It is difficult for even those of us who work with it all the time. I make no claim to being a tax expert. It is mighty difficult for any member to understand these complicated set-ups and to explain them adequately. But I hope we can bring ourselves together on common ground for just a moment, if you please. Let us look back at the situation as we left the taxation matter when the Congress last adjourned. You will remember that last spring and summer we on the Committee on Ways and Means spent a

great deal of time, I believe we spent 5 months in getting ready a tax reduction bill. That was the bill that was intended to provide reduction of the excise taxes. That tax reduction bill was studied and proposed and approved by both Democrats and Republicans alike. There was not so much difference so far as I could see, so far as the desire to reduce excise taxes was concerned. There were a number of burdensome excise taxes that should have been reduced. The Ways and Means Committee reported that bill and we passed it in the House, and sent it over to the other body just at the time when the Korean trouble happened. It then developed clearly that we had to have more taxes. That was no time to reduce taxes. It developed that we had to have a regular tax bill. Instead of reducing taxes, as this House had proposed to do, the other body passed a new bill, and we in turn passed it on this side. It was the last important action of the summer session of this Congress.

Then what did we do in that new bill? We raised the taxes on corporations from, I think, 38 percent to 45 percent. We made this increased tax on corporations retroactive to July 1, 1950. We increased the income taxes of individuals retroactive to October 1, 1950, with the result that every one of you since last October has had the withholding from your salary check sharply increased.

Today we are confronted with another war situation which is difficult. Every American heart is sad because of the Korean situation. Really this is a poor time to consider this restrictive bill. We have on our hands a real war situation, a kind of panicky situation. We have gone to work and reported what we consider an excess-profits-tax bill. But that is not going to be the principal consideration which will determine the passage of this bill. The considerations now are going to be: How about Korea? How about the President's last message? How are we going to get all of these eighteen billions that the President requests? I ask you again, What are we going to do about getting all the money which the President has asked for? I am afraid that we cannot get it through taxation. If we cannot get it through taxation, then how are we going to get it? Are we going to have to sell bonds, and pledge the credit of the Government to the extreme?

My colleagues, this is a serious situation. We are here considering what we call an excess-profits-tax bill which will at best only produce about three billions. When the other body was considering the last bill that we sent to them, they put out a report in which they said this:

Your committee deemed it unwise to delay the bill by attempting to consider other methods of raising revenue, such as excess-profits taxes, which would require several weeks of hearings and detailed study and analysis by the committee and its staff.

Last fall when the other body had plenty of time as it were to consider the thing, they said, "This is no time to consider excess-profits taxes."

My colleagues, this is not a time to consider an excess-profits-tax bill. Ask the men in the street about it, however, and the chances are that he will say,

"Tax the corporations? Yes, sir—tax them and make them pay on their war-contract excess profits." I agree with his viewpoint, but let me ask, Who has been making any excess profits out of war contracts? Heretofore Congress has not passed excess-profits-tax laws except during wartimes. They have not been making any wartime excess profits yet, but maybe they will. I know there is not a Member of the Congress who would want to willfully and knowingly exculpate or relieve anybody from paying taxes on any excess profits which he has made unfairly or purely and simply by reason of his connection with the Government in having a Government contract.

What would be the best way to handle this situation? You may think it would be presumptuous on my part to try to tell you how. I can tell you my opinion. If I had the disposition of this matter in my hands, I would pass a renegotiation bill; get ready to renegotiate contracts which the Government is going to enter into now with people who are going into the business of making excess profits. Let us do that. There is a bill pending in the House that would do effectively what we are trying to do ineffectively. It would be more appropriate if we had that bill before us now, than to have this bill with reference to excess profits, when the excess profits have not yet been made. Renegotiation legislation would catch all of those that this excess-profits bill will catch and many more.

Perhaps some of you have not considered what a renegotiation law will do. A renegotiation law will require that all contracts with the Government must be made with the understanding that the Government will know all about all costs and all profits connected with the contract and that the proper amount of taxes will be collected. The Government will say that everybody who has a Government contract over a certain amount must submit his purchases to the Government. The Government must know what you do, how you spend your money, and how much you make, and at the end of that transaction the Government will take out the profits. That is the time to take out taxes for excess profits. It is not the time now. But we have got before us an excess-profits bill, and I expect the bill will be passed.

In the committee we had a great deal of trouble to make an excess-profits tax palatable, as the gentleman from New York [Mr. REED] has stated in his remarks in great detail. It is very difficult to make an excess-profits tax work. Let me prove it to you. It proves itself.

Congress has passed only two excess-profits-tax laws. One was after the First World War and the other was during the Second World War. You know, there are thousands of claims now pending against the Government, growing out of excess-profits taxes levied after the First World War. There are thousands of those claims, involving millions of dollars. There are thousands of claims following the Second World War, indicating that it is difficult to pass a bill providing for a tax on excessive profits and make it work. The lawsuits that

followed those two excess-profits-tax bills have been tremendously numerous and tremendously large in volume of dollars and they prove that those two bills were not effective and did not produce as much revenue as they should have produced.

Now, this bill that we are now considering has not been seen by a large majority of the Members and has been read by only a very few. The report has not even been read. I want to give you a little illustration of how, in an effort to tax excess profits, they will tax a man who has made no excess profits. This law will be unfair and unjust in many cases. Let me give you an illustration. It is difficult to follow these illustrations, but if you will be patient I shall try to illustrate it to you.

This bill applies only to corporations and it provides that the corporations have a right to take as their base for taxation an average of their earnings in 3 of the last 5 years—1946, 1947, 1948, 1949, and 1950. They can take the average of any 3 of those 5 years for what they call their base. Suppose I run a big department store some place in some town, far away from any munitions plant or war plant. I have been running that store for years. I made a hundred thousand dollars in 1946; I made a hundred thousand in 1947, a hundred thousand in 1948, but in 1949 and 1950 I have dropped back and make only \$90,000 in 1950. In 1951 I will make only \$90,000. I accept my base of the average of the three highest years; that is, \$100,000. Then the law says, "We will take 85 percent of that as a basis." That is \$85,000. Suppose in 1950 I do not make \$100,000, but I make only \$90,000. In that case I have made no excess profits. And in 1951 I make only \$90,000 none of which is above the average of \$100,000 which is my base. Since I have made more than \$85,000 in 1950 and in 1951 I must pay an excess-profits tax on the excess over the basis of \$85,000 which will be \$5,000, and so I have to pay excess-profits tax of 75 percent on \$5,000 which will be \$3,750 for each of the 2 years. I will be paying an excess-profits tax while I did not make any excess profits in those 2 years. Not only that, I did not make as much as I did before. Of course I will pay the regular tax on the \$90,000, but I was not earning any excess profits and consequently I should not be made to pay an excess-profits tax.

So I say that this bill is just full of inconsistencies and irregularities that are going to make it difficult to enforce.

The gentleman from New York [Mr. REED] mentioned the fact that nobody supported the bill before the committee except labor organizations.

Only three groups of labor people came before the committee in favor of the legislation, but against the legislation there were about 200, and I say now, Mr. Chairman, without a peradventure of doubt at all that these 200 people came from all over the country representing big industry and many small industries, but all of them representing business, and everyone was against this legislation at this time; and to their credit every one of them said, "We are

willing to pay more taxes; we have got to carry the burden, and we are willing to carry the burden." But they did not want this hasty legislation.

That is the situation that confronted us then and confronts us now. There is no question but that, if this bill passes, a lot of people will be greatly disappointed and some of them will be compelled to pay taxes they ought not to pay because they do not meet the test, and many others will make profits that are not related to the war at all, yet they too will be put through this mill. No doubt the bill will pass on this side and it will pass on the other side, but I predict that just about the first thing the new Congress will be confronted with will be the necessity for this Ways and Means Committee to bring in a bill raising much of the \$18,000,000,000 with which the President wants to carry on the war. How are we going to do it? We have got to be careful how we tax.

I should like to quote from the statements of many of these very capable businessmen and lawyers who appeared before our committee but time will not permit. While the statement of each of these men was different from all others, because each spoke of his own business, yet there was a sameness that ran through all of their statements.

I shall give you a part of the statement made by Mr. Clarence D. Laylin, who is a very able tax lawyer and who represents the Ohio Chamber of Commerce, which I think is the largest State chamber of commerce in the country, and he also represents the Council of State Chambers of Commerce, to which council I think most of the State chambers of commerce belong. Mr. Laylin said before the committee:

Business is ready to bear its fair share of necessary defense costs but we are opposed to the type of taxation which has heretofore been mislabeled an excess-profits tax.

The country has had ample experience with a so-called excess-profits tax; and that experience teaches us that, whatever may be claimed for the tax in theory, it is both administratively and economically unsound, even as a war measure.

Its supposed virtues as a revenue measure are qualified by excessive costs of assessment and compliance; it discourages incentive for prudent management; it encourages wastefulness and inefficiency in management; it is distinctly inflationary; and it penalizes the small and growing and the progressive companies as against those which are laggard or static. In peacetime such a tax is no more than a crude attempt to limit corporate profits. Under any conditions it would not contribute to the expansion of production, but on the contrary would retard the growth of our economy.

The theory of an excess-profits tax is that it recaptures for the revenues some part of those profits of a corporation which exceed its normal profits. Therefore it is necessary to devise some measure, or measures, to determine, for all the various types and conditions of corporations, what may fairly be considered the normal profits of each separate company. To accomplish this, extremely complicated bases, growth formulas, and relief devices have been and will necessarily be written into each excess-profits-tax statute. The attempt has never been successful, nor is there any likelihood that it ever will be. It is not necessary to assert that all of the thousands of unsettled and litigated cases under the law in effect at the

termination of World War II will ultimately be found meritorious, in order to make the point that any tax law which engenders so much controversy is not a sound measure.

With reference to the advisability of at this time enacting legislation providing for fair renegotiation of contracts, Mr. Laylin says:

The asserted justification for drastic taxation of excess profits is that defense preparations result in abnormal corporate profits. In our opinion, there is no reason why Government contractors as such should realize abnormal profits. Efficient procurement policies of the Government agencies with reasonable forward pricing provisions in cases of nonstandard products, and efficient overall renegotiation, with the amounts recaptured going to the Treasury, should effectively prevent direct war profiteering, and to that extent eliminate the supposed occasion for the imposition of an excess-profits tax.

No doubt it is true that the inflationary effect of large defense expenditures is not confined to government contractors, but to some extent pervades the entire economy, and enhances the profits of many other kinds of business. But if that be so, why attempt the elaborate discriminations of an excess-profits tax?

With reference to retroactivity let me say this is a legislative procedure that is seldom justified and is never without objection. With reference to this part of the proposed legislation that we are now considering, Mr. Laylin says:

In spite of the mandate of the Revenue Act of 1950 and the recommendations of the President, the State chambers respectfully but firmly oppose making any excess-profits tax or other increased tax on corporations retroactive to any part of the year 1950. Retroactive taxation at or near the end of a calendar year would be confusing and in many cases oppressive, and could be justified only, if at all, by imperative necessity. No showing of any such necessity has been made, as we see it. The formal statement of the Secretary of the Treasury certainly makes none.

One of the largest law firms in America dealing almost exclusively with tax problems is the firm of Alvord & Alvord, who have their central office in Washington but who have other offices in other parts of the world. Mr. Ellsworth C. Alvord appears frequently before the Ways and Means Committee when tax bills are being considered. He appeared before the committee at the public hearings held with reference to the legislation that we are now considering. He went into the matter exhaustively, because his firm represents many of the big taxpayers of the Nation. In a summation of the failures of excess-profits-tax legislation that has heretofore been passed by Congress he stated:

THE TROUBLES WITH AN EXCESS-PROFITS TAX

Everyone with experience knows that a so-called excess-profits tax must not be designed to produce substantial revenues, and that no excess-profits tax has yet been devised which—(1) is a reliable revenue producer; (2) can be administered; (3) applies fairly and without discrimination; (4) encourages growth, expansion, new industries, new products; (5) promotes competition and lower prices; (6) contributes to economies and encourages decreasing costs; (7) rewards ability, ambition, risk-taking, and progress; (8) gives industry the elbow room it needs; (9) creates financial independence and stimulates sound financing; (10) grants to youth the opportunity to build a business; (11) builds strength.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. CRAWFORD. I think the gentleman has made a rather fair statement. But on what grounds can we win a tax fight if we proceed on the basis of wishful thinking and do a thing which cuts down production and discourages risk capital and scares off credit? And the other destructive thing which the gentleman from Ohio knows very well this bill will do: Our people are telephoning and writing us about these matters, and we have to say to them that as individual Members of this House we are hog-tied, that the rules of this House do not permit amendments to be offered to tax bills on the floor of the House by individual Members, and that we must either vote it up or down. That is the cold-blooded procedure we are up against, and I do not like to vote for any kind of law which my experience, my conscience, and my best judgment tells me is bad.

Mr. JENKINS. I see the gentleman's point. I can only say this by way of commiseration: We might say that this bill we have before us now is a thousand percent better than when it was when first talked about.

I want to give credit to the Republicans—and I am speaking to the group right in front of me now—for the addition of a number of provisions put into this bill, although we did not get to write them in, but at our suggestion, and because of what we did, they were put into the bill—things that have made the bill a little more acceptable and a little less unjust. But there is an over-all opposition to it, and that is against trying to impose an excess-profits tax when there is no war and when they themselves have conceded that they expect to get only about \$2,000,000,000 out of excess profits. The Democrats started out expecting to get between four and six billions of dollars, but it is now coming down to only about two billion.

So, as I said before, the first thing the new Congress will have to face the first of the year will be to write a big general tax bill to do the things the gentleman has in mind. Again I say that the situation has changed since the Ways and Means Committee commenced consideration of this bill. The urge for additional revenues is so great and so demanding that it will be difficult to vote against this bill even with its faults.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I gladly yield to my friend from Pennsylvania.

Mr. EBERHARTER. The gentleman just made the statement that the Republicans put certain provisions in this bill. Will the gentleman tell us any one provision they put in the bill?

Mr. JENKINS. Yes; I will mention two or three. We took care of the growth provision, which encourages growing concerns; we took care of new businesses, such as television; and we took care of those companies, of all those companies, whose rates are controlled and fixed by public commissions, such

as the public utilities, telephone companies, and transportation companies engaged in interstate commerce as common carriers. I have mentioned three. I could name five or six more, but my time is up.

Mr. EBERHARTER. I remind the gentleman that the committee—

Mr. JENKINS. I did not yield for an argument; I yielded for a question, and I have answered the gentleman's question, I think.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, previous speakers, particularly on the Republican side, have already admitted that the bill as reported by the Committee on Ways and Means will undoubtedly pass, and they will probably vote for it too on final passage. So we are having a lot of debate, which is good in itself, to inform the House and the country what provisions are in the bill.

Complaint has been made that the Committee on Ways and Means should have devoted more time to the consideration of the bill and also that the committee did not understand correctly the wishes of the Members of the House and the Members of the other body with respect to an excess-profits-tax bill. Mr. Chairman, I say that every Member of this House and I think everybody in the country knows that the House and the other body intended that the Committee on Ways and Means report out an excess-profits-tax bill. There never was any doubt about that in anyone's mind, in my opinion. So the committee has now performed its function: It has reported an excess-profits-tax bill.

Mr. Chairman, I would like to go into a little history. Everybody who has followed the debate in the other body knows that when an amendment was presented to the corporate tax bill passed last year which would impose an excess-profits tax, the amendment failed by only a few votes. It failed only because a substitute proposition was offered and the promise was made at that time that this Congress would enact an excess-profits-tax bill applicable to this year's profits. The same thing is true in this body. There was no doubt about that last September when this body on roll call voted overwhelmingly, almost 2 to 1, when it voted down the previous question, in itself a very unusual procedure, so that it would have an opportunity to vote on an excess-profits-tax bill. Everyone wanted to vote for an excess-profits-tax bill last September, but we were prevented from doing so simply because of a parliamentary situation.

Now we have an opportunity to correct that failure to vote last September. Personally, I think it would have been better for the country if an excess-profits-tax bill had been passed last September. In my opinion, it would have helped stem to some extent at least the inflationary spiral to which this country has been subjected.

This excess-profits matter is not anything new. Let me remind you, Mr. Chairman, that in 1916 we passed what

might be termed an excess-profits bill when we put a special tax on munitions. Then in 1917 we changed that and passed a general excess-profits-tax bill. We did the same thing in World War II. In other words, we did it in World War I and we did it in World War II. Now we are in this defensive situation, and we are going to enact it again. So there is nothing precedent-shattering about this proposition at all. Of course, those who oppose an excess-profits-tax bill do not like to say that they are opposed to it. Some of them say that an excess-profits-tax bill is all right and, "I will finally vote for one, but we need more time; we want to postpone action; wait until next year, so that we can study the situation more carefully." Of course, experience has taught us, Mr. Chairman, that when you cannot defeat anything, always try to delay and always try to postpone. That is a recognized practice. You want to put off the imposition as long as you possibly can, and your best bet is to try to postpone it in the hope that something will happen and you can ease the pain on your profits in some other manner.

Mr. Chairman, it has been stated repeatedly in public print and on the floor of this House that 200 witnesses appeared, and that most of them were against this proposition.

Mr. Chairman, an actual count shows that there were only 100 witnesses who appeared before the committee, so I would like to make that correction for the purpose of seeing that the record is straight, because the statement that 200 witnesses appeared is not absolutely correct.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield for a question.

Mr. MASON. On that one point, I am authority for stating that there were 200 witnesses who appeared or filed briefs.

Mr. EBERHARTER. Well, I had members of the staff count the number of witnesses who appeared as shown by the record, and I am informed, and I place reliance upon my information, that there were only 100 witnesses who appeared before the committee.

Now, the proposition has been put forth, and perhaps it will be presented in the motion to recommit to be offered by one of the Members of the minority, that we raise all corporate taxes at this time in place of this excess-profits tax. We have to keep in mind, Mr. Chairman, that in the future we will probably have to raise corporate rates of taxation, but we do not want to do it if we can possibly get away from it at this time, because there are many businesses right now that are suffering a loss in revenue because of the defense effort. The allocation of critical materials, the shift in expenditures by the Government for war purposes causes some businesses to be compelled to lay off people, to have a loss in income, and to have a loss in profits. The proposition to raise corporate normal and surtax rates would apply to those companies the same as the war babies, and I do not think it is quite an equitable proposition to make at this time. I personally know of companies that have had

to cut their output at least in half because they cannot get the materials. They happen to be engaged in a manufacturing industry that could not get any material allocated to them, so they are getting along with but half of the production, half of the income, and about half of the profits. I do not believe that we should jump onto them right now when this great reservoir of war profits is being made.

How much are we raising in taxes on these war babies? Well, the top rate now on corporations is 45 percent. In our measure we specify that no corporation will be compelled to pay more than 67 percent. Forty-five from sixty-seven leaves twenty-two percent, higher. That is the amount by which we are raising the excess-profits tax. There is a ceiling on it. So when you refer to a 75-percent rate, you give the impression that we are raising the taxes 30 percent, but we are not, because of the over-all ceiling of 67 percent. So it is not quite so painful as some people would try to make it appear.

I was somewhat surprised, and a little bit ashamed, at the testimony that some of these representatives of industry presented to the committee. Some of them openly and brazenly admitted that business in general would spend lavishly and would squander their money, and spend too much on advertising and in other ways waste their money and run inefficient plants, so that they would not have to pay the Government so much in taxes.

That is an admission I certainly will not go along with. I do not believe American business people in general are that unpatriotic. I think the American businessman would do his best, when we are in a critical, dangerous war situation, to produce as much as he possibly could and do everything he could to keep our forces supplied with the men, materials, clothing, and munitions that are needed. So I do not go along with the proposition that an excess-profits tax creates inefficiency and waste, because there is more patriotism, I think, in the businessman of today than those witnesses indicated.

There was even a witness or two who implied, or even stated openly, that if the excess-profits-tax law were enacted they would not give their wholehearted effort to producing all they possibly could. But I think they simply cannot indict the American businessman in that respect.

A witness appeared before the committee representing the United States Chamber of Commerce. He even went so far as to intimate that in his opinion no additional taxes were needed. He said the budgetary situation is not bad. He said we could get along without putting on excess-profits taxes now, that really there are no war profits being made, and that no excess profits would be made during 1951.

Let me answer that testimony. Actual statistics show that profits of business corporations during the first quarter of 1950 were at the rate of \$29,000,000,000. Profits for the second quarter of 1950 were at the rate of \$37,200,000,000. In other words, in the second quarter the rate of profits was \$8,000,000,000 higher. In the third quarter a very conservative estimate was that profits would be at the

rate of \$42,000,000,000. So we have a rise from a rate of \$29,000,000,000 of profits of corporations in the first quarter to a rate of \$42,000,000,000.

How does it happen those extra profits are made? Are they not made as a result of the stepped-up spending? Are not those profits being made as a result of the war situation? We used to call it only a defense situation, but it really is a war situation right now. Certainly those profits are stepped up by reason of the war situation, so that war profits are being made.

We ought to do what we can right here and now to take some of those profits out of war and help us bear this burden, and try to keep the American dollar on a sound basis.

Of course this type of tax is popular with the people. Why should it not be? They know the profits that are being made. They see the prices going up every day and they know who are making the profits, and they know who are raising the prices. Certainly it is a proper tax. You cannot get away from that. It is a just tax and a fair tax.

During World War II we raised \$16,000,000,000 through an excess-profits tax. That is a pretty nice sum. It was taken from those concerns that made these extraordinary profits.

In this bill, Mr. Chairman, there are many, many provisions which will give relief to those corporations which have perhaps had an adverse earnings-record during the time that we are using for a base period. Of course every corporation can always use the invested-capital method, or they can use the average of the best 3 out of 4 years from 1946 to 1949, which is much milder than the excess-profits-tax bill that we had during the First World War when we had a 95-percent base and a 95-percent rate. This bill only has an 85-percent base of the 3 best of the 4-year period, and only a 75-cent rate, which is cut down to an over-all limitation of 67 percent.

The committee spent a great deal of time in working out provisions to prevent hardship—to encourage new corporations and encourage small corporations and the expansion of both large and small corporations.

We are considering what I think is a very good tax bill. Secretary of the Treasury Snyder this morning testified before a committee of the other body to the effect that the budget situation looks a little worse now than it did a month or 3 weeks ago and that we will probably have more than a \$2,000,000,000 deficit this year. In the light of the recent request for \$18,000,000,000 more for defense, what can this little \$4,600,000,000 mean when compared to the excess profits now being made of approximately \$14,000,000,000 a year above the profits level of the first of this year.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. FORD. Is this bill as presently drawn going to hit a number of the larger and more profitable corporations which happen to have had very good earning records during the proposed 4-year base period? For the information of the Members I obtained some earning figures

this afternoon of General Motors, Chrysler, and United States Steel. I will read the figures. This is net income before the common stock dividends. The information was obtained from Moody's on Industrials.

General Motors in 1946 made over \$77,000,000; in 1947 they made over \$275,000,000; 1948 they made over \$427,000,000; 1949 they made over \$643,000,000.

The Chrysler Corp. in 1946 made over \$26,000,000; 1947, over \$67,000,000; 1948, over \$89,000,000; 1949, over \$132,000,000.

United States Steel—which has a number of plants in the gentleman's district—in 1946 made over \$88,000,000; 1947, over \$127,000,000; 1948, over \$129,000,000; 1949, over \$165,000,000.

The question I ask is, Will this tax bill bring sizable additional revenue from corporations of that type provided that during 1951, 1952, and as long as this proposed legislation is on the statute books, they have comparable earning records?

Mr. EBERHARTER. If those corporations have comparable earning records, they will pay an excess-profits tax by reason of the fact that we are using an 85-percent base. You see we use only 85 percent of their average earnings over the 3 years which they choose for the base period. They necessarily will, by reason of that fact, pay an excess-profits tax. But, in my opinion, the great feature about this bill is that the excess profits will, to some extent, discourage them from raising their prices higher in order to make greater and greater profits. That will help hold down inflation, in my opinion.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. MILLS. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. FORD. Will the gentleman yield further?

Mr. EBERHARTER. I yield.

Mr. FORD. Is it not true, as a matter of fact, that this tax bill will really not touch corporations of this sort, if they have a comparable earning record? In other words, the committee proposal will not bring any substantial revenue from the larger and more profitable corporations; instead, the bill puts a greater burden on smaller growth industries?

Mr. EBERHARTER. It is true that corporations that have a very good earning record over the base period of extremely high earnings on their invested capital, will not be hard hit by the excess-profits tax. There is no question about that. But we have not been able to find any method of reaching them by an excess-profits tax without hurting other less prosperous businesses. The only way to reach them would be to raise the regular corporate rates, or to restrict their credits in some way.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. CURTIS. The weakness of the pattern we have been discussing is that if one concern has a period of high profits and another concern a period of difficulty, the concern operating in a period of difficulty will pay a tremendous excess-profits tax and the other corpo-

ration will pay but very little, if they make the same amount of profit in the future.

Mr. EBERHARTER. A person can always conjure up hypothetical extreme cases, which may seldom occur in fact.

Mr. CURTIS. Just one word in that connection. It is the general rule that the more modest the profits have been in the past, the more you get taxed under this bill. If your profits have been exorbitant in the past the less you will be taxed under this bill. A great concern whose stock is watered away down can use the capital investment method and probably pay no tax.

Mr. EBERHARTER. I will say to the gentleman that, in the case of the corporation that has been making a fairly decent profit in the base period, and which has been content with that, if by reason of this war effort it suddenly jumps its profits 100 percent or 200 percent, certainly it should be willing to pay more taxes on the excess profits earned.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. MILLS. I would like to call attention to the fact that the gentleman from Nebraska [Mr. CURTIS] has inadvertently, I think, misstated what he had in his mind, when he referred to the invested-capital method of determining the excess-profits tax. The invested-capital method proposed before the Congress today will not permit determination of an invested-capital credit on the basis of watered stock. That might have been true under the old World War II act, but we have gotten away from the historic method of determining the invested capital in this bill.

Mr. CURTIS. Will the gentleman explain that? It was not taken up in the committee.

Mr. MILLS. Yes; it was taken up in the committee, and it was explained at length. I know that anything the gentleman heard in committee he knows more about than I do.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. EBERHARTER] has again expired.

Mr. CURTIS. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, the one spokesman for the tax bill now before us, other than the representatives of the labor organizations, was Secretary of the Treasury Mr. Snyder. He was the only man in all Government who came before the committee and advocated the imposition of the tax at this time. No one was here from the Bureau of Internal Revenue to tell us how they would go about collecting this money; that was left to our imagination, and it was assumed that we would work out something better than that which took place under excess-profits taxation back in World War I and World War II. On the other hand, Mr. Snyder was very, very careful to distinguish between what Members of this House asked for, an excess-profits tax and a tax on profits. Mr. Snyder talked for a long time about a tax on the profits of corporations, and denied that we should have an excess-profits tax in the

sense the Members of Congress referred to this tax in passing our resolution directing the Ways and Means Committee to submit such legislation at this current session of Congress.

Mr. Snyder, I believe, said that we should tax the profits on corporations. I will be very frank with you. What they propose does just that, it taxes normal profits first. Under this bill after you determine your normal earnings back through the years 1946-49 under a formula which is not too complicated, and after your neighborhood corporation determines that it has a normal earning record for those years of, let us say, a hundred thousand dollars, Mr. Snyder proposes to tax a part of this normal profit as excessive. Thus if the corporation earned \$100,000 in 1950, or 1951, or 1952, and not a penny more than its normal earnings, nevertheless it should be taxed at an excess-profits rate of 75 percent on 25 percent of that normal earning. The committee changed that to some degree so that today after the corporation determines what its normal earnings are from 1946 to 1949, instead of having to pay a 75-percent rate on 25 percent of its earnings it will have to pay this rate on only 15 percent. The principle is all wrong, and the committee recognized it. But it did not go far enough to correct it by taxing as excessive only that in excess of normal. It is unfair to tax as excess profits that which is normal profits, the profits without which the business cannot continue to exist upon the same level it has existed in the years past. Yet, that is what we are asked to do in this bill right here. After the corporation determines what its normal earnings are through the 1946-49 period it will have to pay an excess-profits tax even though the corporation does not make one penny more than it did in that base period; that is to say, if after earning the \$100,000 in the example I cited it should earn something more, it will have to pay an excess-profits tax upon what it earns in addition to the 100 percent and on 15 percent of its normal earnings.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I will yield to the gentleman from Arkansas in just a minute.

Another matter about which I think there is a misconception is this: I have heard criticism that size alone should determine the levy of the excess-profits tax; that just because a corporation is large, it should be taxed heavier, even though the earnings that the very large corporation make percentage-wise are no greater than the earnings of a small corporation. Of course, a large corporation has many more stockholders than has the small corporation; indeed, it is in our very largest corporations where the great mass of our people who own corporate stocks have their money invested: General Motors, Bell Telephone, Chrysler Motors, and dozens upon dozens of others. Keep in mind that when a corporation pays a dividend to its stockholders, if it is unjustly taxed as excess profits, the income of the corporation whether it be a small one or a large one cuts down the dividends which

the small investor living in your congressional district would otherwise receive. In a time of inflation such as that in which we are living today, I think it is unjust, inequitable, and undesirable particularly in a war economy when we are calling upon our fellow citizens, large and small, to invest their capital in war-risk industries.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Arkansas.

Mr. MILLS. I have in mind asking the gentleman from Pennsylvania the question whether or not it was not a matter of opinion actually between members of the committee and of people throughout the country as to what constitutes a normal profit? If the gentleman will refer to page 5 of the committee report he will find a majority opinion expressed in the second paragraph on that page as to why these profits in the base period 1946-49 might not be considered normal profits for the purpose of this type of legislation.

Mr. SIMPSON of Pennsylvania. The committee majority was of the opinion during 1946 to 1949 there was inflation, and I use that term in the sense there was an abnormal spending of money for war purposes. We are involved in war now and I hate to admit that the money we spent in that period did provide the things to conduct a war.

I say that in reality 1946-49 was as nearly normal as we could have gotten. At all events, the public has been convinced that that period did represent a period of normalcy.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Michigan.

Mr. CRAWFORD. May I review here for a moment. If I understood the gentleman from Pennsylvania correctly he has told us that the Secretary of the Treasury took the position that the average or normal earnings for the base period, in the case of the \$100,000 illustration, of the corporation should be taxed 75 percent of \$25,000 of those earnings?

Mr. SIMPSON of Pennsylvania. That is correct.

Mr. CRAWFORD. And, for instance, if the corporation earned \$125,000, which is \$25,000 over the average or normal, \$15,000 of the \$100,000 should be taxed at 75 percent and \$25,000 should be taxed at 75 percent?

Mr. SIMPSON of Pennsylvania. Yes. That was not the recommendation of the Secretary of the Treasury. That was the result of committee action.

Mr. CRAWFORD. Then the present bill carries the committee action?

Mr. SIMPSON of Pennsylvania. That is right.

Mr. CRAWFORD. \$15,000 at 75 percent and \$25,000 at 75 percent instead of the excess at 75 percent?

Mr. SIMPSON of Pennsylvania. Yes. As I see it, we are not as far wrong as the Secretary of the Treasury.

Mr. CRAWFORD. May I ask another question? I should like to have the gentleman's opinion because I think he has a good opinion. He is from a great industrial State and certainly it is pro-

duction we are up against now if we are up against anything. It is more and more production and I wish it were less and less inflation. In the gentleman's opinion, what effect will the committee formula presented in this bill have on risk capital or investment capital or on the production of war goods or on all three?

Mr. SIMPSON of Pennsylvania. Well, first of all the passage of this bill is inflationary. I think by far the greatest effect of the bill will be the retarding effect it will have on any industry which chooses to expand. I consider that the so-called relief provisions in here are entirely unsatisfactory when viewed by any man with capital who seeks an investment where he has safety, and where he has the hope of a return which would justify his investment in a hazardous business. Putting it another way, a man with capital to invest, in looking over the field for investment, would place his money in an industry such as the food industry where there would be a high degree of safety, with little or no risk; where the return would be equal to, or greater than, the probable return if the money is invested in a hazardous war industry, subject as it would be to this excess-profits-tax bill. This is true for the war industry would have its normal earning period, and the rate of return allowed on capital is no more for the hazardous war industry than for the safe and nonhazardous business. The result is that the investors' money seek the safe investment; it is unlikely to take the chance of investment in the war industry where there is no prospect of greater profit.

I think that the passage of this bill will tend to restrict expansion of industries which are vital in this war economy in which we live. I think that that is the real danger in this bill. I do not care if some corporation makes a little more money than normal profits, if, by taking away that little extra bit of money we create a situation wherein that industry cannot expand, or will not expand, and our national defense fails. One result is that we do not have for our men overseas, wherever they may be, the war equipment that is so essential, and which we can only get as industry expands. Of equal importance is necessary capital for industries change over from peacetime production to the manufacture of wartime equipment. All too often we think of war production as involving the construction of a new factory, the creation of a new corporation, and all that, when, in reality, it is our presently established businesses that simply retool and shift over to a wartime economy. That takes a great amount of capital. Either they have to try to get the capital from private investors or they have to go to the Government with outstretched hands and request it. I do not want Government control in our war industries, or otherwise. It kills production.

Mr. CRAWFORD. If they go to the Government, the Government has only one place to get it, and that is either to increase the tax load or borrow it.

Mr. SIMPSON of Pennsylvania. That is correct.

Mr. CRAWFORD. And if they borrow it, that means more inflation.

Mr. SIMPSON of Pennsylvania. That is correct.

Mr. CRAWFORD. Because certainly your situation now is such that present financing is primarily going through the bank portfolios, and if a man wants to be to the least degree sensible, he will have to admit it to himself that the majority of the new financing will go to the bank portfolios, and that that in itself is almost sheer inflation.

Mr. SIMPSON of Pennsylvania. Yes, and the passage of this bill in taxing these corporations at such an extremely high rate will remove some of the money they need for expansion, which they now have, and at the same time make it less likely that they can borrow the money to replace capital needs.

Mr. CRAWFORD. What is there in this bill, if anything, which enables the person who does have the courage to build a new plant for the production of war goods or peace goods, or whatever you want to call it—I do not make any distinction between them—with respect to amortization over a short period of time?

Mr. SIMPSON of Pennsylvania. I think we put nothing in this particular bill with reference to that. We have an existing law providing that an expanding industry may get a certificate from Government and amortize in 5 years.

Mr. CRAWFORD. But there is nothing new in this.

Mr. SIMPSON of Pennsylvania. No; nothing new in this.

Now I want to talk about our hearings for a moment, because that certainly is a significant point. We had before the committee about 100 businessmen, representing 350,000 corporations in this country. They represented associations, chambers of commerce, and other business organizations. The significant point is that of the 100 who testified there was not one who thought that the excess-profits tax along the line suggested by the Treasury was a proper thing to impose upon industry at this time. It is significant that out of that 350,000 corporations represented in those associations, only about 70,000 of them will ever be subject to the excess-profits tax. So, you have 270,000 or 280,000 corporations not subject to the excess-profits tax appearing here through their representatives asking that some other scheme be used to provide the increase in revenues which they all recognize as necessary. They are willing to assume their share of the tax, but they do not want the economy stifled by an unjust and unworkable tax. Keep it clear in your minds that every witness said that we should collect not four billion but from five to six billion dollars at this time from industry, saying that the excess-profits tax was not the right way to do it and adding that they had an alternative to offer. I regret very much that our great committee did not do our duty when we refused those gentlemen permission to present to us the alternatives which they had thought out as being a proper basis for the imposition of a tax to provide revenue today. The

committee should have welcomed their suggestions, instead of limiting them to 15 minutes to point out defects in the Treasury's proposal obvious to all.

As I said earlier, the so-called relief provision of this bill designed to take care of growth companies is utterly unfair and unsatisfactory. They are impossible to operate to the satisfaction of all our people, which means to enable the growth companies to grow as they should.

Mr. Snyder appeared today before the Senate Finance Committee and talked about the bill which is before us. He agreed with it in general, in effect agreeing with a bill which was largely written down in the Treasury Department. I believe that is true because he picked out only two things which he says are undesirable features of the bill. He says:

Although the liberalized features of the House bill generally accord with the views of the Department, the bill contains some provisions which tend to create rather than alleviate inequities.

Those two provisions to which he refers as being undesirable are the two which the majority of the House Committee on Ways and Means thought to be very important if we are to avoid inflation. One has to do with the question of utilities; your electric light, your gas, and your water services, which are charged to you under rates established by the regulatory bodies of the Federal Government or the respective States.

The members of the Committee on Ways and Means decided that where a regulatory body imposed a limit above which the utilities might not earn without a reduction in rate it would be unfair to impose an excess-profits tax unless the tax did not begin until that level had been reached. The committee so decided that the tax should not apply below earnings of 6 percent. Now, Mr. Snyder says that is all wrong, that utilities should be taxed on earnings even though less than allowed by the regulatory bodies.

The answer is that if you take any money from a regulated utility as an excess-profits tax, \$100,000, let us say, and then under the regulatory bodies practice you allow that corporation to regain that \$100,000, your consumers are going to pay increased rates. They will pay in higher rates not \$100,000 but four times that, or \$400,000. It is highly inflationary. It will increase the cost of public utilities to the consumers. The provision in the bill today should be kept there notwithstanding Mr. Snyder's recommendation.

Mr. BENTSEN. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Texas.

Mr. BENTSEN. Does the bill provide a restriction on institutional advertising? By that I mean if the Chrysler Corp., say, turns to tank production and it wants to advertise that some day it will be back manufacturing automobiles, is it restricted on such advertising?

Mr. SIMPSON of Pennsylvania. May I suggest that the gentleman refer to page 58 of the report, under section 449. I have been advised that the language

in the bill is a repetition of the language contained in the World War II Act.

Mr. BENTSEN. The gentleman means there is no change in the law as it was in World War II?

Mr. SIMPSON of Pennsylvania. I have been informed that there is no change in that provision.

The great aircraft industry made no money during the years 1946 to 1949. The great electronics industry made no profit during those years in any substantial amount which would justify those earnings as a fair and equitable base upon which their future earnings might be judged. In the television industry there were losses through 1946, 1947, and 1948. There was a substantial gain in 1949, and a very heavy increase in 1950.

Considering the television industry, about which the gentleman asked a moment ago, 75 percent of the net income of the television industry in 1950 will be subjected to the excess-profits tax rate of 75 percent under this bill. The average for all industry is as follows: Thirty-eight percent of the net income of all the corporations in the country will be taxed at the 75 percent rate. Consequently, the television industry, upon which we must depend for a large part of our expansion in the electronics field under war pressure, will be taxed on three-quarters of its income, that is, 75 percent. This is unfair and prejudicial to an essential wartime industry.

The very industry which must expand and toward which we want to attract capital is being penalized under this bill because of the relief provisions not going far enough. Under previous laws we had a section which has been very greatly discredited. It was known as section 722, a section designed to provide relief to any industry which felt that it did not come within the average earning base in a fair and equitable way and to provide relief for the industry which, through some unanticipated hardship, had not been able to earn money during the base period. There is no section 722 in this bill, and these relief provisions have been designed to make section 722 unnecessary. I do not like section 722. Why, today—6 years after the excess-profits tax law has lapsed—there remain 22,000 cases of the 50,000 arising under that act, unsettled, involving \$5,000,000,000. That is almost one-half of the money which was collected under the excess-profits-tax law. Yet without a workable section 722, there is no way whatever for business to turn for relief if it does not fit exactly in the strait jacket imposed in this bill.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. REED of New York. We had testimony from one prominent businessman that he had engaged the time of 40 people for one whole year just preparing the case, and even then he did not get any relief.

Mr. SIMPSON of Pennsylvania. Yes, he represented one of the larger enterprises, as the gentleman from New York states, which had 40 men engaged for a year to prepare their case. Incidentally it has not yet been settled.

Think of the thousands upon thousands of dollars involved here, and then realize how utterly impossible it is for a small-business man to do the necessary and proper work to present his case before one of these Government agencies.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. COMBS].

Mr. COMBS. Mr. Chairman, I want to offer a few general observations on this bill. In the first place neither I nor, I am sure, any other member of the Committee on Ways and Means would contend that this is a perfect piece of legislation. If you or I waited until we could find the perfect tax bill to vote for, we never would vote for one because there is no such animal. This economy of ours is, we might say, woefully and frightfully constructed. No kind of law which taxes people on their income, whether as individuals or as corporations can possibly fit equitably and justly in all situations. It is beyond the ingenuity of the human mind to create such a law. We had particular difficulty in writing this bill. This bill, incidentally, was written by the Committee on Ways and Means and not by the Treasury as some opposition speakers have charged. But we did have great difficulty in writing the bill because of the limitations of time. The bill is 146 pages long. Tax legislation is exceedingly complicated and difficult to write. Yet, our committee came back here November 15 under what amounted to a mandate from the Congress itself to have the bill ready for the Congress to consider when it reconvened on the 27th of November, or as shortly thereafter as possible. In that connection I want to comment a bit on the observations made by a couple of Members who preceded me, including the distinguished ranking minority member, the gentleman from New York, for whom I have the greatest regard, criticizing the Democratic members of the Committee on Ways and Means for refusing to explore or hear testimony upon various alternative methods of taxation. I would remind the gentleman that in the first place last September the Congress enacted a tax-revision bill which increased the taxes both of corporations and of individuals. We made that bill retroactive as to corporations, to July 1, and we made it effective as to all other taxpayers as of October 1. Because the Members were not satisfied that we had not included a provision for an excess-profits tax, and in view of the world situation which was developing, we voted to come back on November 27 and in substance add to what we were then doing, an excess-profits-tax provision. We were not directed to explore other forms of taxation. Also, the gentleman knows, and every member of our committee, and I think every Member of the House knows that had we turned aside into the complicated field of general taxation to hear testimony, and to attempt to weigh it and write a tax bill of a general revision nature, the result would have been no excess-profits-tax bill at

all and thus we would have lost any chance to capture a part of excess profits for the last half of 1950. In all kindness I say that there were various moves made on the other side that rather indicated that the minority wanted us to wait until next year at least; that they did not want any excess-profits-tax bill at this time. We felt on our side of the table that we had been ordered by the Congress to write such a bill for its consideration, and we rested under the responsibility of tendering such a measure to the membership. We have done our best. And you have the bill before you.

Now let us notice this matter of the criticism of the way the committee conducted hearings. My distinguished friend from Pennsylvania [Mr. SIMPSON], who has just preceded me, was critical that we could have received the testimony of 300 or 400 corporate representatives, and that we listened to only 200 or less. I think it was 8 days of hearings, the maximum time we felt we could give to the proposition of hearings, that we listened to the testimony of witnesses. A little more than 1 day of that time was taken up by the representative of the Treasury, and with the exception of two or three witnesses who were heard briefly, 6½ or 7 days of time was given over to listening to the representatives of various corporations who were objecting to an excess-profits tax or criticizing the provisions of the proposals—a very fair hearing, I should say. We might have been able to hear the testimony of 400 or 500 representatives of corporations. Only they, incidentally, were affected by an excess-profits-tax bill. But they have their trade associations. They have their paid agents, but the people have none. Those whose sons are dying in Korea have no special representatives here. The little taxpayer who is having his taxes upped by this same Congress had no way to be here. He had only you and me here to represent him. That is all. I think we did a fair job listening to the complaints of those who object to an excess-profits tax. We have attempted to avoid inequities to which our attention was called. We have written this bill, and I think it is a very conservative bill; and I, for one, plugged for that kind of a bill. I do not mind saying so. We were confronted with the proposition of trying to frame a law that would reach only the excess profits of those who were profiting largely from the abnormal conditions, while at the same time avoiding hurting many, many businesses that are not profiting abnormally or perhaps are even making reduced profits because of the present emergency. We had in mind the little business people, thousands of whom have started their business since the end of the last war, who have borrowed capital and have been trying to expand, during these last 3 or 4 years as they established their businesses, and have made no profits at all, or only small profits, and who have heavy obligations to meet, both in interest and in principal payments. We painstakingly wrote into this law provision after provision intended, as best we could write it, to safeguard their interests.

In the first place, no corporation will be liable for the excess-profits tax unless it makes in excess of \$25,000 net profit.

That is a provision that automatically gives the benefit of complete exemption from excess-profits taxation to the little corporation.

In addition to that the bill gives liberal credits on borrowed capital for all businesses.

In addition, the bill increases the percentage allowance on interest payments for corporations.

Also the bill contains alternative provisions in the case of corporations that had no earnings experience base. They may take the average income percentage over the base period of the industry as a whole and apply it to their capital investment as a base.

I do not have time to enumerate all of the many provisions the committee painstakingly worked out in the time we had and wrote into the bill in an attempt to help the little fellow, as well be fair to all corporations.

I would not impugn the motives, but I think the judgment of the Members who are criticizing this bill may be questioned. It so happens that they came forward, or the gentleman from New York did, with a proposal as an alternative to the excess-profits tax. What was it? It is a matter of record. He proposed that in lieu of this excess profits as the majority have fashioned it to capture profits from the high income fellow while relieving as much as possible the corporation of modest income, he came forth with a provision that would have upped the corporate rate to 50 percent on every corporation with a limit of 55 percent over all. This would mean that the smallest corporation, the one with the lowest earnings, whatever its earnings were, would have had one-half of those earnings taken, but the big corporation—and I know of one which earned over six hundred million after the payment of taxes—would have paid a maximum of 5 percent on its take. Those profits were made at a time of great and dire distress; they were made on products sold to people who had to buy them because for 5 years they had not been able to get them; they were able to charge what the traffic would bear and put the money in the bank.

I hold no prejudice against the big corporations; I am not saying that we should single them out; I have made no such argument in committee, in public, or anywhere else. But I am saying to you that those who have been in position because of the need of their industry or the product they sold, the scarcity of their product, and with the privilege of charging what they pleased, should not object that they shall have to dig into their profit level a long way down to help ease the burdens and help defend the Nation in which they had the privilege of private enterprise and private ownership, and within which they have been permitted to thrive and to make those great profits.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from Michigan.

Mr. FORD. On the basis of a 10-percent increase in the so-called normal rates, would not a corporation like General Motors, Chrysler, or United States Steel—and I have the figures of their earnings for the last 4 years—pay more taxes than in the present excess-profits proposal that is before us?

Mr. COMBS. That could be true. I have not the time to figure it out. It would depend on several factors.

Mr. FORD. In other words, you cannot say that this bill will hurt the more profitable corporations which have established excellent earning records in the last 4 years? A flat 10-percent increase in the corporate tax rate will bring more revenue from corporations of that type.

Mr. COMBS. Let me answer the gentleman right there: If you put the corporate rate up to 50 percent, as the gentleman suggests, you would be hitting not only those very few who have built these large profits but also you would increase to 50 percent the normal tax on every corporation, whatever its earnings may have been, even though they were as low as 1 percent of its investment. It would not tax excess profits at all.

This excess-profits bill is, I hope, by no means the last word on the subject. The Congress, come next spring, is going to have to restudy the whole field of taxation. In writing this bill we have in mind that we were writing it in a way so that it would be related back and the big companies you talk about might not have been hurt at all, but we were very careful that the many thousands of businesses of moderate income be not indiscriminately hurt by a rate suddenly related back.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield.

Mr. MILLS. Is it not impossible to answer the question of the gentleman from Michigan categorically without knowing what the profits of these companies will be in 1951 or 1952 when this bill may be in effect?

Mr. COMBS. That is true.

Mr. MILLS. Certainly an excess-profits tax bill in those years might bring in a lot more money than a 10-percent increase in present tax liability.

Mr. COMBS. That is possible. That would depend on the application of 85 percent of the base that we have set up.

Mr. MILLS. It would depend on what they make in 1951 and 1952.

Mr. COMBS. Yes; and on that base. Mind you, had we not dropped that base down to 85, those same companies you speak of with their earnings over 1946, 1947, 1948, and 1949 would have been able to earn up to the present level and very largely without paying a dime of excess-profits tax.

Mr. FORD. I would like to read these figures for United States Steel for 1946 to 1949. I am convinced the gentleman will admit a flat 10-percent increase, assuming that United States Steel has the same earnings in the future, would take more of a tax bite out of those corporations than this so-called excess-profits tax proposal.

Mr. COMBS. That is possible.

Mr. FORD. You are trying to get revenue from the most profitable corporations who have made and probably will make lots of money. The 10 percent normal tax rate increase is the better way of getting at that potential Federal revenue.

Mr. COMBS. Let us drive a peg at that point. If taxation were that simple, we could have done the job in one day, sir, very easily and very simply. Let me draw a distinction between an excess-profits tax as distinguished from an across-the-board rate. I would not favor such a thing normally when the law of supply and demand controlled. It can be used properly in time of an upset economy when earnings opportunities are not the same and when supply and demand do not control prices and income. In those cases it is a type of tax you can relate to the cases of high-income producers and to that extent keep the tax lower on the fellow with lower income. Mind you, in times of stress, such as we have now, the manufacturer of luxury goods, the manufacturer of products for private consumption that use critical materials and thousands of businesses in this Nation make less money in wartime and in time of distress than in normal times. We must keep those people in mind, too, sir. If we would up the rate too much across the board, as the gentleman suggests, we would put a lot of them out of business.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MILLS. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. FORD. Will the gentleman from Texas answer this question: Does he think that the profits say of General Motors for the last 4 years have been excessive, and these are the figures before common stock dividends: 1946 \$77,000,000 plus, 1947 \$275,000,000 plus, 1948 \$427,000,000 plus, and 1949 \$643,000,000 plus. Are those profits excessive?

Mr. COMBS. I am not going to attempt in this brief time, and with the limited knowledge I have, to determine whose profits are excessive; but I want to say that the \$450,000,000 and the \$643,000,000 the gentleman is talking about is not hay.

Mr. FORD. I agree with the gentleman, but assuming that that corporation does make the same kind of profit in the next taxable year, General Motors will not be taxed a great deal more by the tax law that the House may approve in the next few days.

Mr. COMBS. It would pay considerably more. In planning a tax you have to plan it with a great deal of care. You will notice that I carefully refrained from calling corporations by name. We have to plan not merely with respect to United States Steel and General Motors but with respect to thousands and thousands of corporations to whom the same yardstick would have to be applied. That is one of the difficulties in writing a tax bill. You cannot single out just a few for special treatment. Also those corporations which will have some millions left with which to operate after we are through taxing them are not going to be hurt. It looks to me like, to answer the gentle-

man's question in a general way, we can dip into those \$400,000,000, and \$600,000,000 profits of any corporation that has them for a large sum without hurting them.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. REED of New York. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, I am not going to enter into a general discussion of this bill. I have a carefully prepared, carefully thought out and carefully documented statement that I propose to present, and I shall not yield for any interruptions until I am through. Then I shall be glad to enter into a free-for-all.

Mr. Chairman, we have before us for debate and action a "pig in a poke" because not one Member of this House can possibly know what is in this bill. Anyone voting for it under those circumstances must close his eyes, hold his nose, and hope for the best when he votes.

This bill will do just the opposite to what the American people expect and want it to do. They expect it to check inflation; it will cause more inflation. They expect it to skim off excess war profits; it will allow General Motors to continue to earn excessively high profits, but will take 67 percent of the profits that small struggling corporations may make if those small corporations did not make profits during the base period.

Mr. Chairman, our committee held public hearing on the subject of an excess-profits tax. Two hundred witnesses were heard or filed briefs. One hundred and ninety-seven of them were opposed to the tax. Three of the witnesses testified in favor of the tax—one representing the CIO, one representing the A. F. of L. and one representing the electrical workers union. The opponents of the tax made the following points against it:

First. It is an inflationary tax, not a deflationary one. It encourages the manufacturer to disregard costs of production and to pay more for both raw products and labor because the increased costs largely come out of Uncle Sam's cut of the profits.

Second. It discourages efficiency in production and encourages inefficiency, because 75 cents out of every dollar made above the so-called normal profit has to go to Uncle Sam.

Third. It takes away from a corporation the incentive for business expansion and stepped-up production—two very desirable things in a war economy.

Fourth. All former experience with an excess-profits tax proves that it is impossible to draft one that will treat all business enterprises fairly and equitably.

In lieu of an excess-profits tax these witnesses proposed an increase in corporate tax rates, a slight increase in individual income-tax rates, and a renegotiation law that would take away all excess profits from war contracts. Such a tax program would bring in more money to the Treasury than the proposed excess-profits tax and it would do it more easily and equitably.

Mr. Chairman, under questioning, Eric Johnston, representing the Motion Pictures Industry of America, stated:

An excess-profits tax is extremely inflationary in its effect upon our economy. * * * It will discourage, not encourage, business expansion and stepped-up production. * * * Needed revenue for the Treasury can be secured more readily and with less trouble by simply increasing corporation surtaxes.

Mr. Ellsworth C. Alvord, chairman of the committee on Federal finance, United States Chamber of Commerce, in his testimony before the Ways and Means Committee, said:

If this committee passes the proposed excess-profits tax, the results will be the exact opposite to those desired by the committee.

Under questioning Mr. Alvord admitted that his general statement when translated into specific language would read:

You want deflation; you will get inflation. You want revenue; you will get little revenue. You want business expansion and increased production; yet you remove all incentive for securing either by the passage of this bill.

Bradley Dewey, president of Dewey Chemical Co., Cambridge, Mass., summed his testimony up as follows:

One of the most encouraging phenomena of the postwar years was the number of returning young men who started a new business. Many of these have not as yet become profitable. Today they are just turning the corner. These new businesses must not be crippled by an excess-profits tax which is a tax upon healthy growth.

Renegotiation of war contracts can stop the war profiteer. Let renegotiation tax away actual excess war profits but keep our basic economy healthy so that the young men who are coming along may have the same opportunities to organize and promote new companies and new products as their predecessors. Tax the profits out of war by renegotiation.

Mr. Chairman, new enterprises usually start out with risk capital and borrowed money. New enterprises involve considerable risk and are accompanied by a high mortality rate. This makes a return higher than that allowed on invested capital a necessity in order to attract venture capital. In addition to the risk capital invested in a new business, practically every new business finds it necessary to borrow money. This debt must be paid off out of what is left of the profits after taxes have been paid. An excess-profits tax will make it very difficult, if not impossible, to pay off debt.

Inability to attract risk capital and inability to pay off debt will mean the end of new enterprise. This, in turn, means the end of employment opportunities afforded by new industry, which again in turn cuts off potential sources of tax revenue for the United States Government. In the event the present international crisis lasts for 10 years, or 20 years, as some of our people believe it will, it will mean the complete elimination of new business. This will upset the economic balance between small business and big business; it will destroy employment opportunities for perhaps an entire generation of our young people; and over a period of years it will provide less in total taxes for the Treas-

ury. Therefore, this tax will defeat its own purpose.

Mr. Robert C. Tait, president of the Stromberg-Carlson Co., of Rochester, N. Y., gave convincing testimony to the effect that an excess-profits tax such as the tax proposed in this bill will stifle industrial growth; foster waste and inefficiency; put a premium upon overcapitalization, and a penalty upon brains, energy, and enterprise; discourage new ventures and confirm old ventures in their monopolies; feed inflation; and be discriminatory and unfair.

Mr. Tait's prediction of these dire results came directly out of his observation and experience with the excess profits tax of World War II—after which this one is patterned. Mr. Tait quoted Fred Vinson, Secretary of the Treasury in 1945, as saying:

The difficulty is that calling profits excessive does not make them excessive and calling profits normal does not make them normal.

Mr. Chairman, it would be folly for us to finance a program to build up the war strength of America by a tax that will weaken the economic and financial strength of America. And that is exactly what this tax will do. We can win the all-out wars of today only by mobilizing our full strength—military strength, economic strength, and financial strength. The advocates of this tax do not realize that after 5 or 10 years of such a tax, corporate enterprise would take on the characteristics of our bureaucratic government—little incentive for improvement, little fear of waste, and little or no pressure from competition—because profits under this bill would largely depend upon having a big tax credit to start out with, not upon a dynamic force to produce growth and efficiency. As one witness before our committee put it, "Under an excess profits tax efficiency is worth only 25 cents on the dollar, and waste costs only 25 cents on the dollar." An excess profits tax therefore becomes an invitation to extravagance and waste in corporate management, whereas what we need most today is maximum efficiency and stepped-up production.

Now, Mr. Chairman, if we are to have an excess profits tax law, with all its inequities, its injustices, and its bad effects upon the economic and financial life of the Nation—and it looks from the way this pig in a poke is being jammed through the House that we are to have such a law—then I want to call your attention to a glaring inequity presently existing under our tax laws, an inequity that will be tremendously aggravated by the passage of this excess profits tax. I refer to the tax-free status of what is known as section 101 corporations.

This bill has it in a clause that specifically exempts section 101 corporations from payment of this excess profits tax. Many of these exempt corporations are engaged in the same sorts of business as the corporations that this excess profits tax bill proposes to tax. They make profits of the same kind. If taxable corporations make excess profits, these exempt corporations will make excess profits of the same kind. They will make war

profits of the same kind. There is no guesswork about this. We know that it is true because we have the precedent of what happened during World War II.

According to the official figures of the Farm Credit Administration—report 157, Statistics of Farmers' Marketing and Purchasing Cooperatives, March 1950, page 7—the business volume of cooperatives doubled between 1942 and 1945, the years of the war. Total volume, according to this official source, was \$2,240,000,000 in 1942; twice that amount, or \$5,645,000,000, in 1945. I have good reason to believe that actual business of the cooperatives was vastly more than these figures show, but a tremendous increase in business due to the war is fully established even by these official figures. Since volume doubled, it is fair to assume that earnings also doubled. By the method of computation and rates which were used in connection with the excess-profits take of that time, and is proposed again in the bill under discussion, the Treasury would have collected a substantial amount of money. But no tax was paid by the cooperatives. Instead, an equivalent of the money that competitors were forced to pay in taxes was plowed back into the co-ops' businesses, permitting them to expand by leaps and bounds.

In 1948-49—still by their own figures which omit so many items of operation that they represent probably only a little more than half the actual amount—the cooperatives did \$9,320,000,000 of business. Allowing them a normal rate of profit and giving them the 85 percent credit which his excess-profits tax bill proposes, their excess-profits tax would amount to \$63,000,000, enough to buy a goodly number of the guns and tanks and planes that our boys need in Korea.

Mr. Chairman, I can find no possible legitimate excuse for the continued exemption of the various tax-exempt organizations and corporations, whether from the proposed excess-profits tax or from the normal high tax that is imposed upon their competitors. We are entering upon a period of extraordinary expenditures for defense and perhaps for war. We are imposing taxes at wartime rates. But while we are saying to some corporations that they shall not be permitted to make a profit out of the business they do during this time of national emergency, we are saying to certain other groups—directly competitive with the first group—that they may keep the full 100 percent of their profits to do with as they please. That just is not right. It does not make sense.

In the revenue bill of 1950 we made a beginning toward closing certain loopholes through which business was being done without the payment of taxes. We told the colleges, the charities, and the foundations that they must pay the regular rate of corporate income tax on competitive commercial business. At that time we deferred consideration of the taxation of mutual-savings banks, building-and-loan associations, cooperatives, and other mutuals until the tax bill of 1951. In January I shall again introduce a bill to tax the business earnings of all tax-exempts, both as a matter

of justice to other business and as a way of adding an estimated \$750,000,000 a year of new revenue to the Treasury.

Mr. Chairman, the Government is offering the full protection of its arms to all business. It does not limit its protection to regular corporations and partnerships, though it does require them to pay for what they get. As a matter of decency and patriotism, the tax-exempts should willingly come forward and pay the same taxes that other companies pay. I have heard of only one, however, that has even made such a gesture—and I am told that other cooperative officials contemptuously declare that Union Equity Grain Exchange of Oklahoma is crazy to be paying anything at all.

I hope that the Senate Finance Committee will strike out of the bill now before us under a closed rule the provision that specifically exempts section 101 corporations from the payment of this excess profits tax, and that the Senate will write into the bill a specific provision requiring all section 101 corporations to pay the same excess-profits tax as their competitors.

That, Mr. Chairman, would be only a start in the right direction. We can then finish the job by taxing all their earnings, in the regular tax bill of 1951, as promised by Senator GEORGE, chairman of the Senate Finance Committee.

Mr. COOPER. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. Young].

Mr. YOUNG. Mr. Chairman, the Wall Street Journal, comparing this year's profits with last year's, reports 419 leading industrial and commercial corporations increased their earnings for the third quarter of 1950 ending last September 30 by 53 percent. Remember this is 53 percent in just 1 year. Furthermore, the National City Bank of New York, in its November bulletin, reported that war profits are not as yet a major factor.

We did not delay sending our soldiers to Korea until we had a mighty military organization with the most perfect of modern instruments of war and with every soldier carefully trained for a period of a year or longer. That was simply out of question. Well, we should not now wait to tax excessive profits from the war emergency until we have the most perfect excess-profits tax law. This Nation is at war. We should pass this excess-profits tax by December 6 so that the other body will have time to act on it by December 20. This will allow a couple of days for conference between the House and Senate to iron out differences. By working on this timetable, we shall have an excess-profits tax law ready for the President's signature before Christmas.

Earlier this year, this Congress added \$3,000,000,000 in revenue per year from individual taxpayers of this country and only one billion and a half in additional revenue from corporate income taxes. Were we to fail to pass an excess-profits tax bill before the end of this year, retroactive to last July 1, we would be properly subject to criticism.

Our desire in passing the bill now being considered is to bring into better balance taxation burdens against indi-

viduals and against corporations. The facts are, we have not been calling upon the corporations of this country to contribute their fair share of the vast amounts necessary for national defense. Regardless of what any gentleman may say, this Nation is at war. Furthermore, it is not a war of our own choosing. The dictators of the Soviet Union are waging war against us by proxy. Let us try for an equality of sacrifice. We should not want to tolerate war profiteering at a time when our young men are being compelled to make the supreme sacrifice overseas. Let us try to prevent any war millionaires to emerge from this war. This particular bill may not accomplish that, but it is a step in the right direction. The increase in corporate profits this year is the largest in the history of the United States.

During the third quarter of 1950, corporate profits in this country amounted to \$42,000,000,000. It is safe to assert that this year corporate profits will total \$10,000,000,000 more than last year. Yet enactment of this bill into law will take only approximately \$3,000,000,000 of that sum to help defend this Nation against aggression of the Soviet Union.

Our President has concluded that were we to provide for \$4,000,000,000 per year additional revenue by an excess-profits tax, no hardship whatever would be imposed on corporations. I assert that this very moderate bill should be passed in the House of Representatives by an overwhelming vote. I assert that even with more drastic legislation providing for an excess-profits tax, our corporations would be able to maintain present rates of dividends to stockholders and retain record amounts of earnings for corporate reinvestment. With the enactment of this bill into law, corporations of this country will still be able to devote next year more than \$20,000,000,000 to dividends to their stockholders and for reinvestment to expand their corporate businesses. This leaves to corporations an amount which equals the record of 1948 and exceeds all other years. This after payment of all taxes, including excess-profits taxes.

Many Congressmen questioned the fairness of raising the tax burden of individuals earning less than \$5,000 a year by more than 20 percent. Also, of increasing taxes on small corporations and yet failing to impose an excess-profits tax against abnormal corporate profits. I feel particularly sorry for young married people already hard pressed by the high cost of living. They may properly resent an increase in their own taxes if we permit abnormal profits of corporations to go untaxed. We have worked hard to prepare this bill. It is a good bill. We shall pass it tomorrow despite opposition and attempts to kill the bill by recommitting to the Committee on Ways and Means.

Last October Congress made a commitment to pass an excess-profits tax.

Minority party leaders seek to prevent passage of a tax bill this year by a motion to recommit. Republican strength in the coming Eighty-second Congress will be greater than in the present Congress. Big business hopes to escape higher tax rates for the last half

of 1950. The prize is a big one. Third-quarter 1950 profits are by far the largest in United States history.

Opponents of an excess-profits tax seek to place most of the burden of taxes, necessary for our war effort, upon individual income taxpayers. Also, they advocate enactment of a Federal sales tax on manufactured articles. This would be a tax on consumption.

The question is: Will people insist that the cost of our armament be borne on the basis of ability to pay?

Reactionary Republican leaders endorsed the proposal of the United States Chamber of Commerce as a substitute for an excess-profits tax against abnormal corporate profits. This program proposes an over-all corporate tax rate of 50 percent. This is not much higher than the present maximum rate of 45 percent. Then they propose to raise another four or five billion dollars per year by imposing additional excise, or sales taxes. These are taxes against consumers which fall most heavily upon those least able to pay.

In addition, they propose lowering the present \$600 exemption. This would penalize low-income families. The facts are, the present exemption is too low and should be increased instead of lowered.

Reactionary Republican leaders—and their power will be increased in the next Congress—propose to make the little fellow pay while the big fellow who profits so heavily from our defense program will contribute less than his proper share.

Then they propose, they say, to slice \$6,000,000,000 off nonmilitary expenditures. That all sounds very good. What are the plain facts?

Total nonmilitary expenditures of the Federal Government approximate \$12,000,000,000 per year. The United States Chamber of Commerce proposes to whack them almost in half. In other words, to slash at things the Government has come to do for its people. Social welfare, Federal aid to education, public health, public power and reclamation projects, and to cut social security, instead of expanding and liberalizing it. President Truman terms these expenditures as investments in the future of our country, yet if all these welfare projects were stopped altogether only \$4,000,000,000 per year would be saved. Then if housing were eliminated, adding another billion dollars, that would still fall short of \$6,000,000,000. Our Government does a great many things big and little—for example, for aviation by providing facilities, for shipping through subsidies to maintain a merchant marine, and for public utilities and other businesses loans through various agencies, including the RFC. All these essential Government activities come within the term nonmilitary expenditures. Were these to be eliminated, we would be living in another and different America.

I hope I have made it clear I disagree with the United States Chamber of Commerce's position. I do favor imposing an excess-profits tax now against abnormal corporate profits retroactive to last July. This is really a moderate

proposal. It will not injure any corporation. The highest tax liability possible is 67 percent on total corporate earnings including corporation income, surtaxes, and excess-profits taxes. As an administration supporter who believes in defending against dictatorship aggression on a pay-as-you-go basis, I support this bill. We shall pass it. I hope that the United States Senate will pass our bill by December 20.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Illinois.

Mr. JONAS. Does the gentleman contend that all of the evils we are going to be confronted with concerning our economic and financial difficulties can be cured by this particular bill?

Mr. YOUNG. The gentleman does not make any such claim. No, indeed, this bill is not any cure-all. The gentleman does not contend that this Nation is afflicted with evils except the terror of Communist aggression from abroad. The gentleman who is speaking, the "lame duck" Congressman from Ohio, says that in this Nation we have gone a great way and under a great leadership since that black Saturday in 1933 when Franklin D. Roosevelt first became President.

Mr. JONAS. Can the gentleman answer the question yes or no?

Mr. YOUNG. I have answered the gentleman's question. My answer is "No"; that this does not cure everything and is not a cure-all. I say that this is too modest and too moderate an excess-profits tax.

Mr. JONAS. Assuming that the gentleman takes the figure he cited, namely, \$42,000,000,000 for the base in effect after this bill becomes law, how much tax would we raise under this excess-profits tax on that particular figure? How much would it amount to, approximately? Can the gentleman give us some idea?

Mr. YOUNG. I am afraid that this will yield only a little better than \$3,400,000,000 per year.

Mr. JONAS. I take it that the gentleman is aware of the fact that the President is asking for about \$20,000,000,000 more.

Mr. YOUNG. Yes.

Mr. JONAS. This would not be a cure-all for all the tax problems at the present time then?

Mr. YOUNG. No. I might be frank with the gentleman and state I am very sorry I cannot be back with the gentleman next year. There will be another tax bill next year. Taxes will go higher, not lower.

Mr. JONAS. I am sorry, too, that the gentleman will not be back with us. I can say that sincerely.

Mr. YOUNG. I sincerely thank the distinguished gentleman from Illinois.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I am sure that all of us today fear that a distinguished visitor has come to our country with an umbrella in his hand. I hope, if he has, it is merely because of the rain in Washington, and that it is not

the umbrella that Mr. Chamberlain carried to Munich.

Mr. Chairman, we cannot afford appeasement. Should we allow the conference between President Truman and Prime Minister Attlee to sink to the low level of the Munich conference between the then Prime Minister Chamberlain and Adolf Hitler, we will have administered a deathblow to the United Nations. Should we agree to withdraw from Korea, we might as well withdraw from Europe because we will have issued an open invitation to the Soviet forces to advance at will wherever they will.

Mr. Chairman, peace, not simply in our time but for all time, is a jewel of great price. The price involves great sacrifice and possibly involves the acceptance of momentary losses in order to enjoy its more enduring blessings. If we are unwilling to pay the price, we should not complain at our dismal future. Let us not have international appeasement; nor can we afford to sacrifice principle on the home front merely in behalf of expediency.

The Ways and Means Committee has brought to us today a bill providing for a tax on excess profits. I do not know a Member of this House who does not want to take for the operation of the Government a large share of those profits that are secured as the result of war. I believe most people think this is a sound policy. I agree with that philosophy. But the bill before us contains a most unfortunate provision in which it seeks to do retroactively a thing that we all agree should be done but only after due notice.

I have never believed in writing contracts after they were fulfilled. The time to write a contract is before either party acts. I think that when we write a contract on behalf of the Government we should carry it out, whether or not it is advantageous to the Government. When we write public laws we write contracts with the people. Therefore, to the extent that this bill seeks to tax retroactively earnings that were not subject to taxation at the time they were earned, it seems to me we are doing a dishonest and an unfair thing. I regret that this bill should contain such a provision because, on the whole, as I have said, we must all agree as to the soundness of the philosophy of an excess-profits tax.

I know we cannot expect to get everything just as we would like it in a tax bill. I know there are differences of opinion. Since we are faced with the actualities of the rule, which requires us to take the bill all or nothing, I know nothing that we in this body can do except to take the unfortunate provisions along with the fair provisions, and hope that another body of this Congress will see to it that the unfair provisions are stricken from the bill.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. This Congress has many times in the past written tax bills retroactively. We often write a tax bill, and Congress passes it, retroactive for the entire previous year.

Mr. POAGE. I know it has, but that did not make it right. It was just as wrong in the past as it is today. The fact that somebody else has done a wrong does not entitle me to go out and do a wrong.

Mr. EBERHARTER. Practically all tax bills are retroactive.

Mr. POAGE. No; practically all tax bills are not retroactive.

Mr. EBERHARTER. If the gentleman will look over the history of the income-tax bills, he will find that they are passed retroactive to the first of the year in which they are passed.

Mr. POAGE. If the gentleman were to show me that since the beginning of this Nation we had been doing wrong he still would not convince me that I should be a party to doing a wrong in the future, when I know it is wrong and when it has been called to my attention. I call to the attention of the House this afternoon the fact that we are doing a wrong, that we are violating the sanctity of contract, that we are doing through the force of government a thing that we would not countenance on the part of individuals. We are also doing an unwise thing. In our anxiety to get the excess profits that have been made in recent months we serve notice on business that it can have no security or assurance as to the extent of its tax burdens. I fear that we are but killing the goose that lays the golden eggs. I cannot believe that it is ever profitable in public affairs, either local or international, to sell the security of the future for the profit of the moment.

Mr. EBERHARTER. Does not my good friend agree that these war profits were made commencing shortly after the Korean incident and that for the past 6 months the corporations have already made great profits?

Mr. POAGE. Yes; and last summer the gentleman from Texas who is now addressing you voted to impose an excess-profits tax on those profits at that time. Certainly I agree they should have been taxed then. I thought so then, and I think so now. But if we neglected our duty last summer we should not plead our own neglect as an excuse for an act of injustice.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. DINGELL. Mr. Chairman, the bill which the House has under consideration today, H. R. 9827, in over-all is a disappointment to me because it will not raise as much revenue as I would like to see raised. But since it is a question of getting at some excess-profits taxes or failing to get at any, I had to compromise in the committee on many of the provisions. As we all realize, additional revenue will have to be raised in the immediate future from normal and surtaxes on corporations.

The most vocal opposition to an excess-profits-tax bill in any form before our committee was voiced primarily by big corporations. The smaller businesses admitted in general that an excess-profits-tax law should be enacted, and offered many constructive suggestions as to how such a law should be drafted.

I would like to have seen at least \$5,000,000,000 or more raised by this bill. It could have been done very easily, and corporations would have been able to pay this \$5,000,000,000 in additional taxes and still have more left after taxes than they did last year. Corporation profits after taxes in the second quarter of 1950 were at an annual rate of \$22,000,000,000. For the year 1949, corporations' profits, after taxes, were \$17,000,000,000. Within the last few months, corporation profits have risen 51 percent.

We must all remember that the period since World War II has been a period of unusual business prosperity throughout the country due to built-up demands, accumulated savings during World War II, and large postwar defense expenditures. This is directly a result of World War II, and is adequate justification for not allowing 100 percent of the base-period years, 1946-49, as normal earnings. We certainly should have used 75 percent of this base period rather than the 85 percent which is contained in the bill.

This bill is much more equitable and liberal than the World War II excess-profits-tax law. Many of the complaints which were levied at the World War II law and suggestions which were made as to how the new law should be written have been taken care of in this bill.

I would like to put the House on notice now that I will not vote for a repeal of this law when conditions are again normal until wartime excise taxes have been repealed.

Mr. COOPER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. MILLS, having assumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9827) to provide revenue by imposing a corporate excess-profits tax, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. JENSEN asked and was given permission to extend his remarks and include an editorial by Constantine Brown.

Mr. REED of New York asked and was given permission to extend his remarks in four instances, in each case to include extraneous matter.

Mr. GARMATZ (at the request of Mr. BYRNE of New York) was given permission to extend his remarks.

PRESIDENT TRUMAN SHOULD RESIGN OR BE IMPEACHED—CONGRESS SHOULD DEMAND THE SPEEDY REMOVAL OF DEAN ACHESON

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, did President Truman know he was declaring war on Communist Red China when

he ordered our Armed Forces against North Korea without the consent or approval of Congress?

If President Truman did know that he was declaring war on Communist Red China when he ordered our Armed Forces into action against North Korea last June, without the consent or approval of the Congress, he should be impeached for treason because he has aided the enemy by exposing our unprepared Armed Forces to death, destruction, and possible defeat because of the overwhelming odds against them.

If he did not know that he was declaring war on Communist Red China by attacking North Korea without the consent or approval of Congress, he should in the interest of national security and the public welfare of the Nation resign from the office of President because of his ignorance of the real situation in Korea and China last June.

How much longer must the people of this Nation be the victims of his incompetence, bungling, and bad judgment? Last June he said the Korean affair was just police action. Today it is the first phase of world war III.

Last August he said the Marine Corps were merely the police force of the Navy. The Marines have borne the brunt of most of the fighting on land in Korea which has cost us 8,000 killed, 30,000 casualties. By what stretch of anybody's imagination can this be called police action?

It is apparent that the North Koreans were assured of material and effective support from Communist Red China from the beginning of the Korean affair which Truman called a mere police action.

On Saturday, December 2, Gen. Douglas MacArthur made the following statement to the Associated Press in answer to several questions:

It is quite manifest now that from the beginning the decision was taken and as a part of the onslaught of the North Korean forces in their attack on June 25 that they were assured of such practical support as they are now receiving. The early successes of the North Korean invasion into South Korea obviated the necessity at that time of the open support which is now being furnished. As soon as the tide of battle began to turn, the Chinese war machine started to be geared for the Korean battle-front. Conjectures that had the United Nations modified its mission of liberating and unifying Korea and stopped its campaign at some incidental phase the entry of the Chinese Communists into the war could have been avoided and no support in actualities. The momentous nature of the decisions and actions which have been taken clearly show them to be basic in design rather than of superficial impulse.

What is the strength of enemy forces?

The immediate Chinese forces engaged comprise approximately 500,000 men divided into two great echelons. The front echelon now engaged in attack upon our forces comprises something more than one-half of this force, with the rear echelon rapidly moving up from the Yalu River bases. In the Yalu River sector also are the remnant North Korean forces now being rebuilt and reorganized under Chinese auspices amounting to an estimated 100,000 to 150,000 men. The total strength, therefore, which our forces face amounts to about 600,000 men. Whether additional forces will be brought up cannot as yet be determined.

How does this number compare with the allied nations' ground forces in Korea?

This overwhelmingly outnumbers our forces, the exact strength of which I would not care to give.

Is the enemy well equipped?

His forces are thoroughly equipped with modern and efficient weapons. Man for man our fire power is probably slightly greater than his, but this is compensated for by his simpler and less complicated organization which puts a greater number relatively in the combat echelon. His is a modern ground force in every sense of the term and capable of comparison with that of any other nation.

To what do you attribute our recent reverses?

They are due entirely to the overwhelming strength of the enemy, who completely outnumbers us on the ground.

What do you expect to happen in Korea?

I should not care to make any speculation as to the future.

The people in all parts of the Nation are angry and aroused. They feel the need of sound judgment, realistic thinking, and effective and protective action by the President and the State Department.

This is the first time in the history of the United States that we seem to have completely lost the initiative and seem to be subject to the whim and caprice of an unfriendly foreign power—Russia.

Never before in our history have leadership and wisdom in high places been so lacking, and the Government been rendered so impotent as it is in this critical period due to the mistakes of the administration.

The Congress should demand the speedy removal of Dean Acheson as Secretary of State. His consistent mistakes and errors in judgment on our foreign relations especially his demand that our Armed Forces be removed from Korea before June 25 and his unfriendly attitude to Nationalist China and his statement that Korea was not defensible and his acceptance of Owen Lattimore's advice that Korea should be dropped by the United States but not to make it look as if we pushed her, all are reasons for his immediate removal.

Acheson was never capable of being Secretary of State.

Truman should never have been elected President.

Here are quotes from letters I have received demanding the removal of Acheson and the impeachment of Truman:

Truman should be impeached immediately. Acheson dismissed at once. A complete clean-up of State Department immediately.

Please use your influence for the sake of our beloved country in demanding the immediate removal of all traitorous people in the State Department and that includes Acheson.

It is time now for your action to throw Dean Acheson and his gang out.

As your constituents we strongly request that Dean Acheson be removed from the office of Secretary of State; the State Department be thoroughly cleaned, from top to bottom.

As an American citizen, I am demanding of our legislators the immediate impeachment of Dean Acheson and Harry S. Truman. Also an immediate removal of all pro-Communists from State Department.

Urgent Acheson be removed. Korean situation critical. Appeal to you for action.

If our President does not act at once and clean out that State Department it is time our Congress took things in hand. I hope you will do all in your power to see that the Reds from Secretary of State Acheson on down are cleaned out.

We are face to face with survival or destruction as a Nation. At this crucial hour we cannot afford the incompetent administration and the bungling poor judgment of Truman and Acheson. The people are demanding their removal from office for the Nation's security.

SPECIAL ORDER GRANTED

Mr. VELDE asked and was given permission to address the House for 30 minutes tomorrow, following the legislative program and any special orders heretofore entered.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 15 minutes.

THE CRIMINAL PARTITION OF KOREA AND IRELAND

Mr. LANE. Mr. Speaker, as of November 30, the total of announced American casualties in the Korean war mounted to 31,028.

This is the down payment for the blunders on our side, and the aggression of the other side.

With the North Koreans running interference, Russia carried war into the southern part of that Asiatic peninsula. We moved in to check aggression. Other nations supported us freely. The world trembled on the brink of disaster.

In view of our kid-glove diplomacy and lack of military preparedness, we had to face up to the issue before we were ready.

It might have happened at some other time and some other place, but the fact is that it did come to a head in a little-known country called Korea.

And the future may blame both the United States and Russia for the hasty and arbitrary division of that country into two parts at the close of World War II, because the friction produced therefrom helped to bring on world war III. Perhaps conciliation might have had a chance if it did not have to cope with the tensions bred by partition.

With the evils which flow from partition still teaching us in blood and agony that such compromise is bound to fail, we should resolve to end the partition of Ireland which also mocks the conscience of the civilized world.

It will rankle in the hearts of all Irishmen, and it will hurt Great Britain, until the day when the six counties of Ulster are reunited with the 26 counties of Eire to form that one and indivisible Ireland that was so designed by nature.

The sturdy faith and undying independence of the Irish, supported by millions of sympathizers in other lands, will not be satisfied with anything less than complete Irish sovereignty over the whole island.

The partition of Korea, like the quarantining of Berlin deep in Soviet-held territory without providing for American-British-French control of the highway leading to their zones, these were improvisations that played directly into

Soviet hands. How much these mistakes have cost us and how far the cost will climb before a solution is found for these problems is now a matter of world concern.

The partition of Ireland on the other hand was calculated to deny national integrity to a country whose right to be wholly free is rooted deep in history.

The reasons by which Britain seeks to justify the separation of the six northern counties from the motherland are not worthy of serious consideration. They never have, and never will work to Britain's advantage.

At this crisis in global affairs, when the free world is threatened by the power and subversive tactics of Red Russian imperialism, the unity of the Western world is weakened by Britain's stubborn refusal to return the six stolen counties to Ireland. It is one of the many factors that the Kremlin aggravates in order to stir up disunity among the Atlantic Pact nations.

At times the British Government is keenly sensitive to the public opinion regarding her actions that exists in other countries.

Above all, she should be guided to some extent by public opinion in the United States because of the generous assistance we have given to her—in war and in peace.

I do not bring up this matter to embarrass the British. I realize that we need each other, as we need the mutual support of all free nations in the fearful test looming up before us in which our very survival may hang in the balance.

If we would have the moral strength of justice on our side, then we must correct those wrongs in our society which feed ammunition to the propaganda machine of Red Russia.

There are tens of millions of Americans, those of Irish descent as well as many, many others, who resent Britain's insistence on the division of Ireland.

Every move made by British diplomats in the present world crisis is misunderstood. The worst interpretation is put upon British motives to the disadvantage of our common cause. Remembering the sell-out at Munich, and the long oppression and denial of legitimate Irish aspirations, too many of our people are building up suspicion and dislike of the British, and the resulting bitterness blinds Americans and British to the undivided effort needed against the real enemy—imperialist Russia.

There is even a belief that Britain backed out on its promise to give genuine and not pathetically token support to the gallant effort we made for the United Nations to halt the barefaced aggression in Korea that was directed by the Kremlin.

This is unfortunate.

It could be tragic.

Disillusioned by the heavy losses the United States has suffered in Korea because it was not given the full support of its paper allies, either on the military or the diplomatic fronts, the people of the United States might decide to go in alone.

That is exactly what Russia wants.

How, how can British diplomacy continue to make the blunders that serve such narrow ends? Have they forgotten Churchill's warning of too little and too late?

If the free world loses faith in Britain's integrity, then that nation dooms itself, and our battle for survival against the Russian appetite for conquest becomes more difficult.

Ireland is a small nation, but its claim is greater than that ever presented by any mother nation for the complete restoration of the land that belongs to its people by every moral, ethnic, economic, and historical right.

Britain must begin the hard road back to win the confidence of American public opinion which she has alienated.

The sell-out of Ireland and Korea must be redeemed.

What has happened to the Irish resolution in the House Foreign Affairs Committee?

Why is it not brought out into the open so that this Congress may go on record as urging Britain to atone for the crime of Irish partition and empowering the United States Government to assist the British in bringing about complete freedom for all Ireland?

There must be a united Korea and a united Ireland, in principle and in fact; both nations to be whole and independent.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 37 minutes p. m.) the House adjourned until tomorrow, Tuesday, December 5, 1950, at 12 o'clock noon.

OATH OF OFFICE, MEMBERS AND DELEGATES

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 33), to be administered to Members and Delegates of the House of Representatives, the text of which is carried in section 1757 of title XIX of the Revised Statutes of the United States, and being as follows:

"I, A B, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Members of the Eighty-first Congress, pursuant to Public Law 412 of the Eightieth Congress, entitled "An act to amend section 30 of the Revised Statutes of the United States" (U. S. C., title 2, sec. 25), approved February 18, 1948:

MYRON GEORGE, Third District, Kansas.
WOODROW W. JONES, Eleventh District, North Carolina.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1761. A communication from the President of the United States, transmitting recommendations for action in the present session to renew the program of vocational rehabilitation for disabled veterans which was in effect during and after World War II (H. Doc. No. 728); to the Committee on Veterans' Affairs and ordered to be printed.

1762. A communication from the President of the United States, transmitting a proposed supplemental appropriation to pay claims for damages, audited claims, and judgments rendered against the United States, as provided by various laws, in the amount of \$5,274,033.96, together with such amounts as may be necessary to pay indefinite interest and costs and to cover increases in rates of exchange as may be necessary to pay in foreign currency (H. Doc. No. 729); to the Committee on Appropriations and ordered to be printed.

1763. A letter from the Secretary of the Interior, transmitting the report of the Migratory Bird Conservation Commission for the fiscal year ended June 30, 1950, in accordance with the provisions of section 3 of the act of Congress approved February 18, 1929 (45 Stat. 1222; U. S. C., title 16, sec. 715b); to the Committee on Agriculture.

1764. A letter from the Acting Comptroller General of the United States, transmitting a report on the audit of Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc., for the fiscal year ended June 30, 1950; to the Committee on Expenditures in the Executive Departments.

1765. A letter from the Secretary of the Interior, transmitting a copy of certain legislation passed by Fifteenth Legislative Assembly of the Virgin Islands, first session, 1950, pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936; to the Committee on Public Lands.

1766. A letter from the Secretary of the Interior, transmitting a copy of a law enacted by the Tenth Guam Congress, in accordance with section 19 of Public Law No. 630, Eighty-first Congress; to the Committee on Public Lands.

1767. A letter from the Deputy Attorney General, transmitting a draft of a bill entitled "A bill to amend section 215 of title 18, United States Code, to prohibit officers or employees of the United States from accepting payments for appointment or retention of a person in office or employment under the United States"; to the Committee on the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McCORMACK:

H. R. 9840. A bill to exempt furlough travel of service personnel from the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. PRICE:

H. R. 9841. A bill to authorize a Federal civil defense program, and for other purposes; to the Committee on Armed Services.

By Mr. LANE:

H. R. 9842. A bill to amend Public Law No. 441, Eighty-first Congress, so as to provide for the annual proclamation of National Children's Dental Health Day; to the Committee on the Judiciary.

By Mr. HELLER:

H. Con. Res. 291. Concurrent resolution memorializing and requesting the General Assembly of the United Nations to enact a

measure or measures to the end that aggression in any part of the world may effectively be resisted; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT of Pennsylvania:

H. R. 9843. A bill for the relief of Ina Adams, nee de Silva; to the Committee on the Judiciary.

By Mr. BOLTON of Maryland:

H. R. 9844. A bill for the relief of Mrs. Ermonie Locatelli; to the Committee on the Judiciary.

By Mr. BYRNE of New York:

H. R. 9845. A bill for the relief of Capt. Marciano O. Garces; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2402. By Mr. CANFIELD: Resolutions adopted by the New Jersey State Association of the Chiefs of Police at their last meeting, held November 2, 1950, that all regular members of the police departments of the State of New Jersey, now or hereafter subject to draft under selective service, be deferred; to the Committee on Armed Services.

2403. By Mr. GRAHAM: Petition of the Beaver County Council of the Veterans of Foreign Wars of Pennsylvania, urging a full-scale investigation of our whole foreign and defense program; to the Committee on Rules.

2404. By Mr. RICH: Petition of Newberry Lions Club, Williamsport, Pa., in opposition to any form of compulsory health insurance or any form of Federal bureaucratic control to the application of medical science and/or medical services to the people; to the Committee on Interstate and Foreign Commerce.

2405. Also, petition of Welcome Wagon, Newcomers' Club, Williamsport, Pa., in opposition to any form of compulsory health insurance or any form of Federal bureaucratic control to the application of medical science and/or medical services to the people; to the Committee on Interstate and Foreign Commerce.

2406. Also, petition of Montoursville Garden Club, Montoursville, Pa., in opposition to any form of compulsory health insurance or any form of Federal bureaucratic control to the application of medical science and/or medical services to the people; to the Committee on Interstate and Foreign Commerce.

SENATE

TUESDAY, DECEMBER 5, 1950

(Legislative day of Monday, November 27, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, who putteth down the mighty from their seat and exalteth the humble and the meek, Thy providence has led us to the very vestibule of destiny. Upon the President of the United States and his counselors, the Vice President and Members of the Congress, the leaders of our Armed Forces, and upon

all trusted with authority on whose shoulders rest the heavy burdens and responsibilities for vital decisions so largely molding the future and, for weal or woe, affecting the lives of untold millions, we implore the wisdom which is from above. As in the name of the Lord our God we set up our banners, with closed ranks we march on toward stern and bitter days with the assurance that as we fight to make men free we march with Thee. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, December 4, 1950, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

LEAVE OF ABSENCE

On request of Mr. LUCAS, and by unanimous consent, Mr. HOLLAND was excused from attending the session of the Senate today because of official business.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, the Committee on Foreign Relations was authorized to meet this afternoon during the session of the Senate.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Mundt
Anderson	Hoey	Myers
Butler	Hunt	Neely
Byrd	Ives	Nixon
Cain	Johnson, Tex.	O'Connor
Capehart	Johnston, S. C.	O'Mahoney
Carlson	Kefauver	Pepper
Chapman	Kerr	Robertson
Chavez	Kilgore	Russell
Clements	Knowland	Saltonstall
Connally	Langer	Schoeppel
Cordon	Leahy	Smith, Maine
Donnell	Lehman	Smith, N. J.
Douglas	Long	Smith, N. C.
Dworshak	Lucas	Stennis
Eastland	McCarthy	Taft
Eaton	McClellan	Taylor
Flanders	McFarland	Thomas, Okla.
Frear	McKellar	Thomas, Utah
Fulbright	McMahon	Thye
George	Magnuson	Tydings
Gillette	Malone	Watkins
Gurney	Maybank	Wherry
Hayden	Millikin	Wiley
Hendrickson	Morse	Williams
Hickenlooper		Young

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON] is necessarily absent.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Colorado [Mr. JOHNSON] are absent on official business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business, having been appointed a delegate from the Senate to attend the meeting of the Commonwealth Parliamentary Association in Australia.